The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japan Plans Manchurian Annexation While China Plans Civil War!

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The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 67 | Shanghai, China, Saturday, December 16, 1933 | Number 3

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 38 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS

C. Y. W. MENG S.Y. LEUNG

STEPHEN WANG PAUL K. WHANG

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs

Sinister Actions of Johnson-Lampson in Japanese Eyes 81

Japan Plans for Early Manchurian Annexation While China Plans for Another Civil War 82

The Kuomintang Party and the Revolution 85

China's Aviation Becoming of National and International Importance 87

American Youths and Russian Maidens Who Didn't Wait for Roosevelt-Litvinov Rapprochement ..... By A. H. B. 91

Japan to Control Export Trade—Threat of Retaliation Is Made 92

Special Articles

Life Assurance Well Adapted to Conditions in China ..... By A. J. Hughes 94

Reds Open Fire on Yangtsze Steamers 95

How Rural China Is Being Remade ..... By Edgar Snow 98

Oustanding Events of Another Year of Nationalist China ..... By C. Y. W. Meng 104

Silk Experiments at Lingnan University in Canton ..... By Wilbur Burton 112

Uplifting China's Cotton Mill Industry By B. Y. Lee 114

China's Most Modern Silk Filature By Paul K. Whang 118

Diverse Interests in Fukien to Oppose Nanking ..... By Francis Chen 121

Why the Mongol Wants Autonomy 123

The Real Significance of Dr. Rajchman's Mission to China ..... By Anthony C. Tong 126

Who's Who in China 129

Men and Events 130

New Books of Interest in the Far East 132

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 38 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

WASHINGTON OFFICE

J. J. Underwood—Correspondent

Colorado Building, Washington, D. C.

SINISTER ACTIONS OF JOHNSON-LAMPSON IN JAPANESE EYES

LAST week we printed a report, summarized from the Japanese newspapers, wherein it was stated that the American Minister, Nelson T. Johnson and the Soviet Ambassador, Dmitri Vassilievitch Bogomolov were engaged in promoting a Sino-American-Russian alliance against Japan. In other words the diligent and watchful Japanese journalists, stationed at all strategic points in China, scent a far-reaching plot against Japan resulting from the resumption of normal diplomatic relations between United States and Soviet Union. Now, in the light of later reports from the Japanese newspapers it seems that Johnson and Bogomolov are but amateurs in the game of diplomatic intrigue. Both have been outdistanced by Sir Miles Lampson, British Minister, who hopped into a trimotored plane and flew directly to Nanchang where he forthwith entered into negotiations with the Chinese Generalissimo. And the following was the result, according to a "reliable source" at General Chiang's headquarters: General Chiang Kai-shek pledged the British Minister complete protection for British interests in Canton and also British mining concessions in Szechuen, in exchange for which the British Minister pledged Gen. Chiang complete British support of the Nanking Government. Thus, to follow the Japanese news reports, while the American and Soviet diplomats were engaged in plotting a Sino-American-Russian alliance against Japan, the British Minister slipped in and pledged the complete support of the British Government to Nanking. The Nanking correspondent of the *Osaka Mainichi* then proceeded to recall that Britain had gradually lost her dominant trade influence in south China since the rendition of the British Hankow Concession in 1927. Furthermore, since the establishment of Manchukuo, Britain has been dislodged from her trade stronghold in north China. But to make matters still worse the alliance between America, China and Russia "is anything but an encouraging sign for Britain, hence unless John Bull launches a drastic movement apprehension is felt that British influence developed over many years is likely to be wiped out entirely and in short order." In consequence the British authorities decided to "seize the opportunity to bring about a pro-British movement amid the throes of

difficulties caused by the communists and the independence of Fukien." Therefore the visit of Lampson to Nanchang constituted indisputable evidence that Great Britain has decided to change the "old traditional iron rule for a policy of trade." And this is being done partially in preparation for meeting Japan "after 1936," this being the date of expiration of the Washington Arms Conference treaties. Then as a parting shot the Japanese correspondent in Nanking explained to his readers in Japan that the active maneuvering of the British Minister on top of the positive China campaigns of America and Russia is certain to "further complicate the situation in China for Japan." The same edition of the *Osaka Mainichi* containing the foregoing had a 4-col headline on the front page, referring to the deadlock in the Anglo-Japanese cotton negotiations in India, which read as follows: "World Anti-Japanese Network Spreads Behind the Scenes." However, a somewhat smaller headline lower down on the page declared that the Japanese cabinet ministers "remain calm in the emergency."

Japan Plans for Early Manchurian Annexation While China Plans for Another Civil War

WHETHER Japan will annex Manchuria outright early in the new year, or whether the Japanese military authorities will convert the present Manchukuo regime into a "monarchy" as a preliminary to annexation is not yet known and probably will not be known until the Japanese settle the question among themselves shortly after Jan. 1, 1934. The resumption of diplomatic relations between the United States and the Soviet Union, both of which nations are vitally interested in the Manchurian question, has caused the Japanese military authorities to move more cautiously. But they obviously have not given up their ambitions to bring Manchuria securely within the boundaries of the Imperial Japanese Empire, a fact which was emphasized recently in a statement by the present Japanese Foreign Minister, Koki Hirota, that the Amur River must now be regarded as Japan's first line of defence.

Japan's obvious intention to strengthen her position in China's northeastern provinces either through annexation or the creation of a puppet monarchy modeled on the present Japanese governmental system, is of special interest now in view of China's active preparation to renew domestic warfare, thus wasting precious manpower and implements of war which were accumulated with the original object of opposing the foreign invader. As a matter of fact one of the chief causes of the pending civil-war is the Japanese issue, but instead of unitedly marshalling their military, economic and financial resources against Japan for the recovery of lost territory, China's leaders apparently have decided to settle the issue by fighting among themselves —and thus leaving Japan in undisputed possession of the northeastern provinces.

That the Japanese are no longer worrying about Chinese opposition to their control of Manchuria is proved by the fact that Tokyo's warlords are now involved in discussions pertaining to the questions of annexation or the creation of a puppet Manchu monarchy. As a matter of fact Japan's only worries about the future status of Manchuria solely are concerned with: possible reactions in the United States and Soviet Russia. No longer does Japan care a whit as to what the Chinese Government or the Chinese people think about the Manchurian question! . . . .

Japan's plan to effect fundamental changes in the present Manchurian administration early in the new year is indicated in reports from Tokyo showing there is in existence two schools of thought within the ranks of the Imperial Army. Late in October a *Reuter* dispatch from Tokyo quoted high military authorities as stating that the Chinese northeastern provinces would be definitely annexed shortly after Jan. 1, but a later dispatch (*United Press*, Nov. 21) quoted other high authorities as stating that Henry Pu-Yi "will be proclaimed Emperor of Manchukuo on March 10, the anniversary of Japan's announcement of the 'independence' of that area from Chinese control." Chao Hsin-po, a Japanese-educated Chinese who served as "mayor" of Mukden for several months after the original Japanese occupation and who later on was made head of the Manchukuo legislative yuan, is now in Japan making a study of the Japanese governmental system with the object of applying it in Manchuria following the creation of the puppet "monarchy," but whether the Japanese army will permit this to be done rather than deciding upon outright annexation remains to be seen. Chao Hsin-po claims he has the support of the Japanese army for the creation of a Manchu monarchy, and in this respect he also has the support of a handfull of Manchu and Chinese monarchists who fled to Changchun following the creation of the Manchukuo administration. Should the Japanese military authorities decide that the international outlook is not propitious for outright annexation the chances are they will support the creation of a Manchu monarchy modeled on the Japanese governmental system as a preliminary to annexation at some later date. The creation of such a governmental system in Manchuria, modeled on the Japanese system of government, would obviously facilitate annexation as it would not involve any fundamental changes in the Manchurian administrative system. The present Chinese "puppets" would merely step aside in favor of the Japanese officials who now serve as "advisers," and Henry Pu-Yi would "legalize" the change by signing an abdication proclamation requesting Japanese annexation somewhat as was done in the case of Korea.

Further, and in the minds of many observers, conclusive evidence of Japan's plans with respect to the outright or nominal annexation of Manchuria, was provided in the action of the Tokyo General Staff in sending Major-General Doihara back to Manchuria. Major Doihara, who is rated as Japan's "master of intrigue" in Manchuria has now been appointed chief of what the Japan-

ese call their "Special Service Bureau" at Mukden, a position which will give him a free hand in working for either annexation or the creation of a Manchu monarchy. It was Doihara who engineered the kidnapping of the Manchu "boy-emperor" from the Japanese concession in Tientsin late in 1931. But before this he played a potent part in the Japanese occupation of Mukden on the night of September 18 of the same year and after the occupation served for a few weeks as mayor of Mukden, stepping aside for the puppet Chao Hsin-po mentioned in the foregoing. However Doihara lost considerable prestige over the scandal concerning Gen. Ma Chan-shan, the Chinese military commander in Heilungkiang province who joined the Manchukuo administration and then, after receiving a large sum of money, double-crossed the Japanese and again became a Chinese "patriot." It was Doihara who negotiated with Gen. Ma and paid him a subsidy from the Japanese Kwantung Army's war-chest. Following that Doihara was recalled to Japan. But now he is back in Manchuria, is supposed to know more about Manchuria and Mongolia than any other Japanese military officer, hence sensational developments are expected. That he arrived in Mukden at about the same time Chao Hsin-po went to Tokyo to draft a constitution for the Manchukuo "monarchy" was indoubtedly more than a coincidence.

Japan's move toward the strengthening of her military position in Manchuria, thus facilitating the annexationist program, has been evidenced in other recent developments. Of primary importance has been recent railway construction connecting the port of Seishin on the northeastern coast of Korea with the former Chinese line running through Kirin to Changchun. In addition to this another branch line has been completed which connects the Kirin line with Harbin. The completion of these links are of tremendous strategic importance from a military standpoint because Japan can now land troops in Korea and rush them to the Manchukuo capital and Harbin in twenty-four hours less time than was previously the case when it was necessary to land the troops at Dairen and transport them northward over the South Manchuria Railway. The Japanese also are pushing construction on two other strategic railways, one leading to Chengteh, capital of Jehol, from Peipiao which connects with the former Peiping-Mukden line and the former Chinese port of Hulutao on the Gulf of Liaotung. A further railway extension which also is being pushed is the extension of the former Chinese road running to Taonan on the edge of Mongolia. This railway construction involving the expenditure of many millions of Japanese yen and the employment of thousands of laborers has been responsible for reports spread over the world by Japanese propagandists about Manchurian "prosperity" under Japanese rule. But the motive for this hurried railway construction has little or nothing to do with the improvement of conditions for the native population and is concerned exclusively with the clinching of Japanese military control over the territory. The line from the Korean coast to Harbin will enable the Tokyo military authorities to rush troops to Changchun and north Manchuria while the line to Chengteh in Jehol will perform a similar service in enabling the Japanese to rush troops into north China. As to the extension of the Taonan line, it will, when completed enable the dispatch of troops into Mongolia.

Other developments in Manchuria tending to further strengthen the position of the Imperial Kwantung Army include the militarization of the South Manchuria Railway and the creation of a separate provincial administration to include the so-called Kwantung Leased Territory and the zone of the S. M. R. While these latter moves are all within the Japanese family, so to speak, the object of the Japanese military authorities is to eliminate the political bureauracy which heretofore has centered in the control of the S. M. R. and the leased zone at Dairen and thus place the whole area as well as the railway under direct military control. This would have the effect of placing supreme political, military and diplomatic power in the hands of the commender-in-chief of the Kwantung Army who is an appointee of the Tokyo General Staff. Under this new arrangement the Commander of the Imperial Japanese forces, who is concurrently "Ambassador" to Manchukuo, will have far more power than Prince Ito possessed in Korea prior to the annexation of that unfortunate nation to the Japanese crown. This move, combined with others noted in the foregoing, points definitely in the direction of annexation for it will put the army in complete control of economic and industrial development projects which heretofore have been under the jurisdiction of the railway. The scheme has aroused violent opposition in civilian political circles in Japan because the S. M. R. in the past has served as the chief political "plum" of the party which happened to have control of the Government, but the Army will in all probability have its way. Yosuke Matsuoka, who served as the agent of the General Staff in the Geneva discussions of the Manchurian affair, has now resigned from the Seiyukai party and has started a campaign for the elimination of party government and the creation of a military dictatorship.

HAVE SINO-JAPANESE NEGOTIATIONS BEEN SUSPENDED?

G. Zay Wood (Ho Chieh-tsai) who is secretary of the Peiping Political Readjustment Commission announced in Nanking on Dec. 9 that all negotiations between Gen. Huang Fu, head of the Chinese Commission and the representatives of the Japanese Kwantung Army regarding the re-establishment of railway communication and postal services between north China and Manchukuo as well as the demarcation of a boundary between Manchukuo and Hopei province, had been suspended. But this statement was the exact opposite of a dispatch of H. R. Ekins, *United Press* staff correspondent at Peiping, which appeared in the *Japan Advertiser* on Dec. 2 stating that the negotiations between Chinese and Japanese military representatives at Peiping already had resulted in Chinese de facto recognition of the puppet state. Mr. Ekins dispatch declared, "despite all claims to the contrary such recognition is a fact and if that be letting down the League of Nations and other well-intentioned but overly sentimental friends of China, then in the opinion of the practically minded Chinese,

it is just too bad.....Whether called direct diplomatic negotiations or just a working arrangement between Orientals who understand each other, the Chinese and Japanese have gotten together in Peiping, Shanghai and Nanking and in practicable fashion, they have reached a series of agreements which constitute Chinese de facto recognition of Manchukuo....Articulate public opinion as reflected through the press, doesn't like it, but opinion is confronted with a fait accompli.....Highest Chinese and Japanese officials in north China wined and dined each other and from the festivities came agreements under which through railway traffic between Peiping and Mukden is restored, under which Japanese troops evacuated Chinese territory inside the Great Wall, under which postal and telegraphic and other communications will be maintained, under which Chinese will again be permitted to patrol the Great Wall passes and under which customs and internal revenues will be collected....All this could not have happened and did not happen without Chinese officials recognizing the fact of Manchukuo. For them there was no other way out....The diplomats and civil officials of both countries were just so much window dressing while it all came to pass... When all was cut and dried, Major-General Okamura. Assistant Chief-of-Staff of the Kwantung Army, the Japanese unit which is the god-father of Manchukuo, flew down to Peiping in a Japanese military bomber (bearing the insignia of Manchukuo) and gave the arrangement his blessing...." Mr. Ekins concluded his dispatch with the following significant sentences.

"Many a politician will take advantage of the opportunity to attack the Chinese Government for a policy of 'surrender.' But the job has been done. Last May the Chinese and Japanese (militarists), when they signed the Tangku truce, which stopped the hostilities inside the Great Wall, discovered it was possible to get together. They have been getting closer together ever since and now, no matter what the official announcements call it, China has extended de facto recognition to Manchukuo. For face-saving purposes it can still be called Manchuria when necessary."

This dispatch by Mr. Ekins giving the facts of the Sino-Japanese situation in north China makes the recent dispatches from Peiping and Tientsin telling of the squabbling over the control of Shanhaikwan sound puerile. If the Chinese military authorities in north China have granted de facto recognition to Manchukuo, of what importance is it if the Imperial Kwantung Army grabs off a few more counties of northern Hopei province in the name of Manchukuo? Numerous inspired dispatches from both Peiping and Tientsin have been published in the Shanghai newspapers in recent weeks alleging the Japanese had, or were planning to evacuate Shanhaikwan, but according to latest authoritative information the Japanese and Manchukuo authorities are still in Shanhaikwan and apparently intend to remain there permanently. Hollington K. Tong, editor of *The China Press*, in the course of a long article in his paper on Sunday, Dec. 10 said that one of the obstacles to the early rendition of Shanhaikwan to Chinese control is the Japanese demand for Chinese agreement, either tacit or otherwise, to the delineation of Lochen, a mile northeast of Shanhaikwan, as part of Manchukuo. Lochen is the east gate northeast of Shanhaikwan leading to the territory outside of the Great Wall which is still under the jurisdiction of the province of Hopei. To quote further from Mr. Tong's statement, "This demand discloses Japan's intention to attempt to establish the Great Wall as the boundary between Hopei and Fengtien (Manchukuo), one of China's former northeastern provinces now in Japan's control....The Chinese contention is that, pending the ultimate settlement of the Manchurian question, the recognized boundary between Hopei and Fengtien province (of Manchukuo) should be maintained." But as stated in the foregoing, this squabbling is puerile and apparently is designed to camouflage the fact that the Chinese and Japanese military authorities are actually engaged in settling the boundary question between China and Manchukuo, the facts of which have already been settled in the Sino-Japanese conversations which have taken place since the signing of the Tangku truce agreement on May 30 last. Of further interest in this connection was a report in the *China Times* on Dec. 3 stating that the Japanese military authorities are now engaged in the construction of a large airdrome immediately outside Shanhaikwan. A further report, also in the *China Times* (Dec. 1) stated that the Japanese also have refused to surrender control of the Malanyu area located outside the Great Wall and that some 300 Japanese troops stationed there, apparently intend to remain until next year. An earlier dispatch (Nov. 21) in the same paper also contained the significant information that Japanese troops still are stationed immediately outside of the Kupeikow pass in the Great Wall, which is only some 80 miles to the north of Peiping. The report stated the Japanese were engaged in the construction of permanent barracks at this point.

NANKING-CANTON NEGOTIATE WHILE TROOPS MOBILIZED

Every provincial border between Shanghai and Wuchow, Kwangsi province, a distance of considerably more than a thousand miles, is now an armed camp as a result of the military and political crisis precipitated by the rebellion of the 19th Route Army and the creation of the so-called "People's Government" in Fukien province. General Chiang Kai-shek, according to report has sent between 50,000 and 100,000 troops to the southern border of Chekiang province in order to prevent a drive of the 19th Route army into that area, while General Chen Chi-tang, commander at Canton has concentrated his troops on both the Kwangtung-Fukien and Kwangtung-Kwangsi borders in order to prevent surprise attacks. *A Reuter* report from Canton on December 12 stated that the Kwangtung military authorities had submitted three proposals to General Chiang Kai-shek (1) An increase of $300,000 monthly for Canton's expenses in connection with the anti-red war; (2) in the event of war between General Chiang Kai-shek and the 19th Route Army, Canton will remain on the defensive, that is will remain neutral; (3) Canton will continue to cooperate with Nanking in the anti-red war in Kiangsi. The report stated further that General Chiang Kai-shek has been remitting the sum of $350,000 monthly to General Chen Chi-tang, head of the Canton military establishment, but Canton now insists that Nanking liquidate a debt of $190,000,000 which the Nationalists incurred in 1926 incidental to the northern drive. Canton insists that Nanking begin repaying this loan at the rate of $300,000 a month.

In addition to these demands, the Japanese newspapers in Shanghai published a report from Canton on December 9 stating that the Southwestern Political Council had submitted five demands to the Nanking

Government, (1) Immediate cessation of all military movements on the part of Nanking; (2) Immediate retirement of General Chiang Kai-shek and Wang Ching-wei; (3) Transfer of all military power by General Chiang Kai-shek to the National Government; (4) Shortening of the period of political tutelage; (5) Immediate convocation of a peace conference in Shanghai.

As a direct result of these moves from Canton, the National Government dispatched four envoys to Canton, Chang Chi, Ma Chao-chuan, Chen Chao-ying and Wang Lu-yi. These delegates arrived in Hongkong on December 10 and immediately conferred with Hu Hanming, former head of the Nanking Legislative Yuan who is now in political retirement in the Hongkong British colony. No report has been issued regarding the outcome of this conference further than a story in the newspapers that Mr. Hu would issue a statement shortly. The Nanking delegates then departed for Canton for a conference with General Chen Chi-tang and other Cantonese leaders.

However, further complications have developed at Canton due to the refusal of the two Kwangsi military leaders, Generals Li Tsung-jen and Bei Tsung-chi to come to Canton to confer wtih the Nanking delegates and as a result of which General Chi-tang has ordered a strengthening of his defence forces on the Kwangtung-Kwangsi border. It was reported that the Nanking delegates might proceed to Wuchow, Kwangsi in order to meet the Kwangsi leaders. The refusal of the Kwangsi military leaders to proceed to Canton has led to speculation that they are cooperating with General Chen Ming-shu, leader of the Fukien revolt.

Eugene Chen, Foreign Minister of the Fukien People's Republic, in the course of a long interview circulated by *Reuters* from Foochow on December 10 declared that in consequence of the fact there are 300,000,000 peasants in China it is necessary that China's whole state policy should be based on the welfare of the peasant classes. "We shall give him land not merely for ownership but for the production of food and usury shall be abolished." As to private property in general the new administration will not interfere with the institution of private ownership, except insofar as such interference is imperative in carrying out the Government's agrarian policy and the state ownership of public utilities and the prevention of economic and social maladies which have developed in the west. There is no intention to interfere with foreign missionaries, but their religious and educational activities must not be conducted in defiance of Chinese laws. Mr. Chen said that the customs revenues at Foochow and Amoy would be retained in Fukien province. He also said that the Government had not yet defined its terms for the participation of foreign capital in the development of China's resources, but said such capital investment would be welcomed "provided it is not injurious to China's national rights. He said that all mines, forests and barren land should be the property of the state.

With reference to the Kuomintang and the teachings of the late Dr. Sun Yat-sen, Mr. Chen said that the Government would encourage universal education and would use such parts of these teachings as were considered advisable but "we regard the *San Min Chu-I* as simply an ordinary collection of popular lectures delivered by Dr. Sun, hence do not regard them as sacred." Regarding the reported alliance between the Fukien government and the Communist party in Kiangsi, Mr. Chen said that there are, in addition to the Communists, numerous other revolutionary elements which are opposed to Nanking and the Imperialists, hence Fukien would cooperate with all elements which have similar aims.

It was Fukien's repudiation of the Kuomintang and so-called "Sun Yat-sen-ism" that apparently was responsible for Canton's refusal to cooperate in the Fukien independence move. The Canton political council as well as public organizations generally in south China as well as among overseas Chinese generally, have attacked Fukien's leaders for this move.

The Japanese naval authorities on December 9 dispatched the Third Fleet, commanded by Vice-Admiral Imamura, from Shanghai to the ports of Formosa and Fukien for the protection of Japanese and Formosans in Fukien. The fleet is composed of the flagship "Idzuma," and destroyers Sumire, Ashi and Hishi. They will be based at the Mako naval station in Formosa. The British naval authorities also have sent the destroyer "Verity" to Foochow to join the "Whitehall" which has been there for some time. There have been various reports that the Nanking Government has requested the foreign legations to withdraw their nationals from Fukien province, but this report has not been confirmed.

The Japanese also have sent a number of officials to China on further tours of investigation, those mentioned in the *Rengo* reports being Admiral Sugisaka, who formerly commanded the Japanese naval landing party in Shanghai; Goro Morishima, chief of the first section of the Foreign Office; Hachiro Arita, recently appointed Japanese Ambassador to Belgium.

The Kuomintang Party and the Revolution

MORE than a dozen countries over the world have experienced revolutions since the original Kuomintang revolt in China which resulted in the overthrow of the Manchu Monarchy. Many of these revolutions have resulted in the overthrow of hereditary monarchs and in some cases have resulted in the creation of dictatorships even more despotic than the preceding regimes, but in most cases there has been an improvement in the lot of the individual and increased unity on the part of the people generally. Aside from South America where practically every country has experienced revolutions but without any essential change in the form of government, the following countries have staged revolutions since China started the fashion in 1911: Russia, Germany, Austria, Hungary, Italy, Spain, Portugal, Turkey, Greece, Mexico, Afghanistan, Ireland and Siam. In some countries, such as Ireland, Mexico and Germany where more than one revolutionary upheaval has occurred, the result each time has been in the direction of increased unification. We believe we are right in stating that in no case has revolutionary activity resulted in decentralization or division into separate states. In all cases revolutions have resulted in increased nationalistic or racial sentiment. Another characteristic has been the creation of strong and in some cases, such as Russia, Italy, Germany and Turkey, predominant political parties. Rival or minority parties have been outlawed. In the United States and Great Britain where revolutionary movements are also in progress, they have followed constitutional lines—thus far.

Hundreds of books have been written dealing with various phases of revolutionary movements referred to in the preceding paragraph but generally the results may be summed up in a few words: improvement in the lot of the common people, greater unification in political and economic life, increased nationalistic sentiment, more efficiency in the machinery of governmental administration.

We will make no attempt at detailed analysis of these revolutionary developments in other countries from the standpoint of comparison with what has occurred in China in recent years. That the Chinese revolutionists have had a longer road to travel than the leaders of revolt in other countries is obvious. Also it is unfair to compare China which occupies half a continent with such closely-knit countries such as Germany and Italy where the machinery of communication and transportation is already highly developed. But granting all the handicaps and making allowances

for important gains which have been registered, there is no questioning the fact that revolutionary development in China, regarded as a striving toward a better and happier state for the masses of the people, has not kept pace with what has occurred elsewhere in the world.

Dr. Westel W. Willoughby, professor of Political Science at John Hopkins University and former legal adviser to the Chinese Government, declared in the course of an analysis of conditions that prevailed in 1922, following the Washington Conference, that China's success in taking advantage of her gains at the Washington meeting depended upon three elements, two external and one domestic. Referring specifically to China he said that her success depended largely upon the extent to which China's leaders will exhibit a power to make use of the opportunity that the Powers have agreed to give her to establish and maintain for herself a strong central government and to create efficiently operated public administrative services.

Dr. Arthur N. Holcombe, professor of Government at Harvard, who spent considerable time investigating conditions in China following the nationalist revolution in 1926-1927, asked the following questions:

> "Can the Chinese put an end to the disorder and violence which has raged with increasing destructiveness since the collapse of the old empire? Or must their dissentions continue until their body politic is paralyzed by anarchy? More precisely, can the Chinese nationalists achieve what Yuan Shih-kai and the lesser militarists who followed him failed to accomplish, the unification of China on a basis conducive to strength and prosperity? Or will all their propaganda and fighting end in nothing but greater misery and despair? In short, are the Chinese capable of building a modern state and governing themselves so as to secure both order and progress? And if, so, how should they go about it? That is the problem of China.

In both of these analyses of the situation in China, one written following the Washington Conference in 1922 and the other following the nationalist revolution in 1930, the responsibility for improved conditions was not placed entirely upon the heads of the Chinese. The foreigners were also held responsible. For example Dr. Willoughby said that improved conditions depended upon two foreign elements: "(1) the extent to which Japan, in reversal of its former policies, will be guided and controlled by a strict regard for the spirit as well as for the letter of its international engagements, and will sincerely seek, or, at least avoid the placing of obstacles in the way of, the welfare of its great neighbors, China and Russia; (2) the extent to which Great Britain and the United States will cooperate in the Far East." Dr. Holcombe, in his discussion of the foreign elements involved, written seven years after the Washington Conference, declared, "It is a problem of supreme importance to foreigners as well as to Chinese, because, if the Chinese fail to solve the problem, foreigners will try to solve it for them, and it is more than possible that such an attempt would involve the foreign Powers in a greater welter of confusion and disorder among themselves that that which they sought to terminate in China. The problem of China is no more a domestic problem of the Chinese. It is an international problem affecting the peace of the world."

Both these statements were prophetic for as the situation has developed today there has been almost complete failure all around. China, obviously, has failed in the establishment and maintenance of a strong central government capable of administering the country efficiently and the Powers, particularly Japan, have failed to keep the faith from the standpoint of non-interference. As a result the situation in the Far East is drifting toward the cataclysm suggested by Dr. Holcomb when he said, "If the Chinese fail to solve their problem, foreigners will attempt to solve it for them, and it is more than possible that such an attempt would involve the foreign Powers in a greater welter of confusion and disorder among themselves that that which they sought to terminate in China."

Whether China's leaders have sufficient vision or ability to halt the present drift toward complete political paralysis and ultimate anarchy, remains to be seen. But obviously what hope there is rests with the Kuomintang Party, the only political organization in the country which has historical background and tradition inherent in the Chinese body politic. The so-called Communist Party, although considerably oriented in recent years, is nevertheless a foreign importation, as also are the recent tendencies toward Italian-style fascism and Franco-Belgian social democracy. The Kuomintang Party was born as a direct result of the intolerable conditions which prevailed under the empire and it was the oppressions of the Manchus that gave the movement strength and vitality. The fundamental principles of the Kuomintang on the reconstruction of the political and economic life of the people and the re-establishment of the nation to its rightful place in world affairs, are perfectly sound. The trouble has been due, not to wrong principles, but to an attempt to divert the principles into wrong channels and utilize them for selfish ends. Whether it is too late to rectify the mistakes of recent years is not for us to say, but that there is imperative need for a return to fundamental principles should be obvious to everyone, both within and without the party. Surely there should be sufficient men of intelligence, vision and patriotism to halt the present drift toward complete chaos. In our previous reference to political tendencies, we referred to the Kuomintang, the Communists and the recently-exploited theories of social-democracy. We did not mention one other possibility as an outcome of the present complications: a colonial dependency under the iron-heel of the Imperial Japanese Army!

Japanese Goods Coming to China in Increasing Quantities

The total of Japanese imports coming to China this month is greater than during November, according to estimates made by the Shanghai Customs. It is understood that the total import of Japanese goods last month was 50,000 tons, but this month the total is expected to far exceed that figure. The *China Times* says four additional Japanese vessels have been put on the Shanghai-Japan service for the sole purpose of carrying goods to Shanghai.

China's Aviation Becoming of National and International Importance

THE rapid and steady development of aviation in China recently, particularly during the past year, has been such as to affect the internal organization of the country, knitting various regions more closely together than ever before, and also to arouse increasing attention abroad. Japan is now frankly apprehensive of the development of military aviation here under American adviserships. Britain is sending a air attache to China and at the same time planning the establishment of a British air service between England and China. An American line across the Pacific is among the projects under American auspices.

Within China itself, the development of civil aviation is bringing together North, South, East, and West. This does not mean that internal conflict is immediately to be brought to an end. But it will mean an end to internal "neutrality" and indifference as between different areas. With the old slow means of locomotion separating the various far-flung regions of China, each could live more a life to itself. Today they are drawn more and more closely together. From this conflict will develop at times, but there is more understanding than conflict, and the possibility is created of a far more genuine unity than China has ever possessed previously. Just how long it takes to achieve political unity, however, is a political question.

Shanghai is now linked directly with Peiping, with Lanchow in Kansu, with Chungking and Chengtu in Szechuan, with the coast cities down to Canton, by air. There is also a line connecting Peiping with the Kansu centers. These lines were dealt with in the *The Review* of October 7, and need no special description here. In the last two months, however, the air line between Shanghai and Canton has become a reality, and China National Aviation Corporation planes are now making the trip regularly, carrying both passengers and mail. Also, the line has been established connecting Chungking, in southeastern Szechuan on the Yangtze, with Chengtu (the provincial capital) in West Szechuan.

LINKING VARIOUS AREAS

Some points about these most recently established lines are of special importance. China, due to the Western impact, now presents widely varying areas with regard to economic development. Shanghai is the center where Western investment in China is greatest, and the domination of this port by foreign capital, and its influence along the Yangtze Valley in general, is a very important factor in the general situation. But as one moves up river foreign influence becomes less and less until Szechuan is reached—a great interior province, with a population greater than either Britain or France and comparable to that of Germany, but with a simple economy hardly touched by modernism, and without even railways. The air line linking Chungking and Shanghai, in fact, links pre-modern China with modern China. And that there should be a special line connecting Chungking with the provincial capital Chengtu is understandable when the magnitude of the province is realized: it is comparable to a line clear across Germany.

Shanghai and the southern ports are much affected by the newer economy, but in different ways. For whereas Shanghai is a foreign-dominated city, from which foreign capital draws a stream of profit, the coastal cities from Foochow southward show exactly the reverse. Citizens of these areas have big investments overseas—in the South Seas, the Philippines, the United States—from which profit flows into China. In Shanghai, foreign investments draw profit from China. In Fukien and Kwangtung profit is drawn in from Chinese investments abroad. Shanghai, like North China, is a "debtor" area. South China is a "creditor" area, dependent in a considerable degree on its investments overseas.

It is this association with overseas economy, and independence of foreign capital, which has been largely responsible for the more emphatic nationalism and "radicalism" of the South, which was the birthplace of the Chinese Revolution and of revolutionary Nationalism, and is today the center of the first clear-cut revolt against Japanese domination of China. It is clear that for any national policy, expressing the aspirations of China as a whole, these independent "creditor" areas must be brought together with the dependent "debtor" areas of China, which in turn must be linked up with the less developed interior. And air lines are doing this linking in a way which no other form of communication could achieve.

THE FUKIEN QUESTION

One point is of special significance for America, and is considerably disturbing the Japanese. The China National Aviation Corporation is a Sino-American concern, 55 per cent belonging to the Chinese Government and 45 per cent to China Airways, Fed. Inc., owned by the Pan-American Aviation Corporation. A controlling interest is in the hands of the Chinese Government, but management is in American hands, and the Japanese regard with misgiving the establishment of airports at Amoy and Foochow, opposite Formosa, by a partly American concern. They have, in fact, declared that America is securing an air base in Fukien.

Just what business Japan has in interfering with Chinese Fukien may be asked, and answered. In 1898, after seizing Formosa and the Pescadores Islands from China and further humbling this country by the war of 1894/5, Japan demanded that China abandon full sovereignty over Fukien by an assurance that she would not alienate any part of this province to any other power. China had no choice but to comply, as she had already done with similar demands by France concerning Hainan and the provinces bordering on Tongking, and by Britain concerning the Yangtze provinces. When in 1900 the American Navy wished to lease a coaling station at Samsah Inlet in Fukien, within the area Japan claimed as a "sphere of interest," the McKinley administration actually took up the matter with Tokyo first. Japan

disapproved, and the American Government went no further, not even approaching the Chinese Government on the matter.

When Japan in 1915 made her Twenty-One Demands to China, and forced her to accede to most of them, these included a pledge that before borrowing any foreign capital "to work mines, build railways, and construct harbor works (including dockyards) in the province of Fukien," the Japanese Government should first be consulted. China was obliged to state that she had no intention "of permitting foreign nations to establish on the coast of Fukien province, dockyards, coaling stations for military use, naval bases, or to set up other military establishments; and also of borrowing foreign capital for the purpose of setting up the abovementioned establishments." The intention, clearly, was to bring Fukien under Japanese domination economically and politically. That the Japanese have not been able to dominate Fukien economically, as they have parts of the northeastern provinces of China, is mainly due to the fact that Fukien did not need Japanese capital. She had an abundance of Chinese capital, from overseas remittances, for her economic needs. Fukien, in fact, has had a surplus income, much of which has flowed north to Shanghai, partly for the purchase of goods, partly for investment in Shanghai and the Yangtze Valley.

At the present time, the American Government seems much less inclined to approach Tokyo for permission for American activities in China. In any case, Amoy and Foochow have been included in the C.N.A.C. route with no real interference from the Japanese Government.

In China's northeastern provinces, now under Japanese military occupation, Japan dominates air communications. The Manchuria Air Transport Company has regular lines between Mukden and Dairen, Mukden and Shingishu, and Mukden and Jehol. There are also regular lines connecting Tokyo with Dairen and Changchun, and drawing tighter Japan's bonds over the conquered territory. Japanese airplanes bearing the "Manchukuo" insignia also land frequently in Peiping, indicating Japan's future intention to extend the Japanese air-lines in Manchuria to the cities of north China, particularly Peiping and Tientsin.

AIRPLANE MANUFACTURE

Airplane manufacture is going ahead in South China, in the factory at Amoy in the territory of the new "People's Government." Several seaplanes have been turned out here, the engines being imported from abroad. Until the declaration of the new Government last month, the Government Bureau of Aviation (of the Ministry of the Navy) had some planes made there. Now, however, aircraft are to be built (also with imported engines) at Canton and Shanghai. The aircraft factory attached to the Aviation Bureau at Canton is already able, it is said, to rebuild planes. The Nanking Government's Bureau of Aviation already has aircraft works at Shanghai, and last month reached an agreement with the German Junker Aviation Company to establish a factory here, the Chinese Government to furnish $2,000,000, the German company $1,000,000, of the original capital of $3,000,000.

COMMUNICATION WITH ABROAD

Still another factory is to be built by the Curtiss-Wright Corporation, the Nanking Government to participate in its financing and to take up most if not all of its output. This is to be capitalized at $5,000,000, understood to be American currency. Even this big plant, however, will not manufacture motors, which will still have to be imported.

With the exception of the lines connecting Japan with her occupied territory in northeastern China, there is as yet no regular air communication between China and foreign countries. For a little while, in 1931, the Eurasia Aviation Company maintained a regular service between Shanghai, Peiping, and Manchuli on the Sino-Russian border, making connections with Soviet planes flying across Siberia into Europe. This, however, was halted by the Japanese invasion of Manchuria.

But in the last two years the Eurasia company has extended its line towards the northwest, in an endeavor to establish communications with Europe through Sinkiang. By June of the present year this route had reached Tihwa (Urumchi), capital of Sinkiang, and was being extended to Tchuguchak, on the Russian border, where contact could be made with Soviet planes. The struggle in Sinkiang, however, with the capital in the hands of a Governor said to be more friendly to Russia than Nanking, London or Tokyo desires, has held up this line, which now goes no further than Kansu.

Other international communication, however, is coming appreciably nearer. The line between Canton and the Philippines will probably be started in the course of the next few months. This will be preparatory to the inauguration of direct air communication with the United States across the Pacific. Unless American interests hasten their preparations, however, connections will first be established with Europe, via southern Asia.

This will almost certainly be realized during the coming year. At present, only the stretch between Canton and Bangkok lacks an air service. From Bangkok one can reach India and Europe, or Australia, by air. Various national interests, however, are involved, there being British, Dutch, and French lines in South Asia. The Canton-Bangkok line would cross French Indo-China, and France would prefer to handle this traffic herself. On the other hand, the great port of Hongkong is in British hands, and Britain prefers to have a British line doing business. In fact, the Hongkong Government has not permitted the C.N.A.C. to make Hongkong a station on the Shanghai-Canton line, demanding first, it is said, reciprocal rights for British lines at certain Chinese ports. The Chinese Ministry of Communications is now negotiating, through the C.N.A.C., with the British Imperial Airways, in connection with communication with Singapore, India, and Europe, as well as Australia. This month the Imperial Airways started a regular air line to Singapore, now within ten days of London by this route. Last month in London, the China Committee of the Manchester Chamber of Commerce discussed with Sir Philip Sassoon, Under-Secretary of State for

Air, proposals for a British air service between Britain and China. The next few months will undoubtedly see some agreement which will link China by air with South Asia, and thence with Europe and the rest of the world, by regular lines.

MILITARY AVIATION

In military aviation, China is showing rapid development also. This is of special importance in view of the vulnerability of China's main ports, most of which possess foreign concessions or settlements which present serious complications with regard to defense by mining, etc. It was emphatically demonstrated last year that the most important of these concessions, rather than risk any dispute with another Imperialist Power, will permit their territory to be used as a base of operations against China, as Japan did with the International Settlement at Shanghai. But the activity of a Chinese air force is not limited as is that of the Chinese navy.

Furthermore, in building up an air force China does not have nearly so far to go to catch up with other nations. Military aviation, in the world as a whole, is still less than twenty years old, and China can create an air fleet and bring it up to the standard of a Great Power far more rapidly than she can do with any other branch of national defence. This, indeed, she is evidently doing. The Nanking Government's air fleet alone amounts to more than three hundred planes, and the number of machines is increasing month by month. At the present rate, China will achieve its plan of over 850 planes for 1936, putting it on a level with the Great Powers in this respect, comparable with Russia or with Britain "Proper."

China's will be no mere "tailor-made" fleet. The Nanking Government is using its armed forces as fast as they are fit. The war against the hard-fighting Red Armies in the South—and elsewhere—calls for real battle. It is significant that the 19th Route Army, after long fighting against the Communists in Kiangsi, showed themselves actually superior, man for man, to the Japanese forces at Shanghai, and were only overwhelmed, after a truly glorious struggle, by superior numbers and equipment, and the failure to receive adequate support from the Nanking Government. It needs real fighting material to withstand the Communist armies. And if, as Chiang Kai-shek is reported to have said, it will take another three years to complete the campaign against them, China will then have the most experienced and war-toughened armies in the world.

For the time being, however, Nanking's military forces are evidently "for internal use only." And airmen, like other soldiers, have plenty of opportunity to develop their powers in actual battle. Against the Red Armies, indeed, they are much better off than are the infantry, as the Communists have few if any planes, or anti-aircraft guns, and the Nanking planes can bombard and destroy towns in the Soviet areas in relative safety. But the defection of the 19th Route Army in Fukien changes the situation, as these forces not only have both planes and anti-aircraft guns, but the only actual airplane factory in China—at Amoy. Captain Chen Wen-ling, chief of the Aviation Bureau and director of the factory there, left Shanghai for Amoy November 21, immediately after the proclamation of the new "People's Government" in Fukien. The Aviation Bureau and factory have now been taken over by the new regime.

The 19th Route Army's air wing includes two squadrons, with headquarters at Lungyen and Yenping, and is being steadily expanded. How many other planes there are at the disposal of the "People's Government" is not quite certain, but the total air force already numbers some fifty or sixty planes, mostly purchased with contributions from overseas Chinese.

The Canton Government, at present, possesses about one hundred fighting planes, a number which its Aviation Bureau expects to increase to five hundred within three years' time. About half its planes are the most modern type of military pursuit machines, and were purchased abroad during the past year.

Kwangsi is reported as having some forty-odd planes, almost comparable to the air strength of the 19th Route Army. Fukien and Kwangsi between them have almost the numerical strength of the Canton air force, and are probably stronger in actual fighting power. All the South put together, however, has less than the Nanking air fleet, and when the "People's Government" was proclaimed it was the Nanking forces which threatened to level Foochow and other cities by aerial bombardment if the 19th Route Army did not submit. Planes dropped such proclamations over Fukien cities, but so far the only actual damage done was the bombing by a Nanking plane of a public gathering in a park in Chuanchow, Fukien, killing and wounding scores of persons. There have been no reprisals, but the Nanking forces in Chekiang have prepared anti-aircraft defences in anticipation of an aerial attack from the 19th Route Army.

While the Red forces have had few if any planes so far, they are now in a position to obtain as many as they can pay for, with the blockade lifted on the Fukien side and the existence of a working aircraft factory at Amoy. As yet, however, there appears to be nothing worthy the name of an air fleet in the Chinese Red Army.

Most of China's planes, whether belonging to the Nanking or Southern fleets, are of American make. During the first eight months of this year China imported more than a million dollars' worth of planes monthly, almost three-quarters of these purchases being of American planes. The total is six times as great as that of last year, and the imports are still increasing. American advisers are also at work with the Chinese forces, training efficient airmen.

In view of reports that American aviation instructors in the Hangchow aviation school might accept regular service in the Chinese Army, it is of interest to record that their contracts as technical instructors contain clauses prohibiting any activities "such as would involve a loss of their American citizenship." Any enlistment in the Chinese military services would involve a pledge of allegience to China, hence would result in loss of American citizenship. The American instructors are therefore barred from accepting service in the air-branch of the Chinese Army, unless they are desirous of permanently forfeiting their American citizenship.

JAPANESE APPREHENSIVE

The growth of China's air fleet, with American technical assistance, is already worrying Japan's militarists, from whose viewpoint it appears that "in central and southern China the United States has built up a strong foothold in aviation and communications, and....implanted her political and economic predominance." They point out that "It is not difficult for superior aircraft to cover a thousand miles and attack Kyushu Island. In the event of the Pacific Ocean being disturbed the air engagement will be started in this direction. What concerns us, therefore, is the expansion of the air forces of China." They circulate, and themselves appear to take very seriously, reports of a secret agreement between the United States and the anti-Japanese 19th Route Army in Fukien, of "substantial assistance" of a financial nature from America to the Cantonese air fleet, even of American support for the National Government's air expansion program. It is regarding South China, and the area near Formosa, that the Japanese are most apprehensive.

At the present time, with friendly relations established between Russia and America, Japan is moving much more cautiously than before,—evidently one reason for their failure so far to intervene in Fukien, where—it may be noted—the new anti-Japanese "People's Government" proclaimed its existence, and concluded a treaty with the "Chinese Soviet Republic," immediately after the United States established treaty relations with Soviet Russia. The Japanese are, however, taking other steps, and have now announced openly that they intend to build an airdrome on the mandated islands of Saipan, ostensibly "to study meteorological conditions and air fishermen," but really, of course, as a military air base. More airdromes are to be built, later, on other mandated islands.

From this it is clear that China's rapid development of aviation is becoming of international, as well as national, importance. The Japanese militarists are very apprehensive indeed, as under a truly nationalist regime in China the air force might quite possibly be used against them. China already, indeed, has more than five hundred fighting planes, though these are at present divided between the Nanking and Southern forces. If the country were united on a basis of common opposition to an alien foe, the Chinese air fleet would be by no means a negligible factor. Such unity as Chiang Kai-shek has been able to achieve, however, whether with the northwestern, the Szechuanese, or the Cantonese warlords, has been on a basis of common opposition to the Chinese Communists in a war which has been absorbing the bulk of national revenues for year after year, and the end of which is not yet in sight. But the various areas of China are certainly being drawn more closely together, and Chinese aviation—military and civil—is a most important technical factor in this.

Some pessimists have suggested at times that the only hope for China is to get small enough so it could be really ruled by one central Government. Aviation, indeed, is doing this very thing,—making the country actually smaller, in terms of communication time. If all factions of Chinese were today united on a program of national salvation, China would be in a position to achieve real nationhood. And she needs only this to make her a powerful influence in world affairs. Aviation is opening out possibilities which China has not previously known.

Mongols Express Dissatisfaction Over Pailingmiao Settlement

According to a telegram from Peiping Dec. 11, the Mongolian princes in Inner Mongolia have called another conference at Pangkiang in connection with the Mongolian autonomy question, at which they are reported to have expressed dissatisfaction over the settlement recently reached between Gen. Huang Shao-hsiung, Minister of Interior and Government's Special Commissioner to Inner Monglia, and Princes Teh and Yun at Pailingmiao. The telegram added that as a result of the Pangkiang conference, the Mongolian leaders have issued a statement repudiating the Pailingmiao agreement.

Interviewed at Peiping on Dec. 11, Gen. Huang who returned to the old Capital Dec. 8 from Taiyuan where he conferred with Gen. Yen Hsi-shan in connection with the Mongolian situation, said that he had not received a copy of the alleged statement issued by the Pangkiang conference. Even such a statement had actually been issued, Gen. Huang continued, it must have been fabricated by some disgruntled Mongolian youths with a view to sowing dissession between the Mongols and the National Government. Finally, he declared that he would wire to Prince Teh, inquiring about the real situation.

In a previous interview upon his arrival at Peiping from Shansi, Gen. Huang stated that the Provincial Authorities of Suiyuan, Charhar and Shansi had endorsed the general principles reached between him and the Mongolian princes at Pailingmiao, regarding the establishment of autonomous districts in Inner Mongolia. Gen. Huang also confirmed the report that the Japanese had established an autonomous district at Dolonor on the Charhar border, but added that the question could not be taken up until the Government had effected the retrocession of Dolonor through diplomatic channels.

In response to urgent summons from President Wang Ching-wei, Gen. Huang left Peiping for Nanking Dec. 14 and announced that on his way of return, he would stop for one day at Tsinan to see Gen. Han Fu-chu, Chairman of Shantung Provincial Government and will also visit Marshal Feng Yu-hsiang at Mount Taishan. Upon his return to Nanking, it is understood that a conference of representatives of the Mongolian dukes and princes and of the various Government organs concerned will be convened to devise detailed measures for the institution of local autonomy in Inner Mongolia. The 20 thoroughbred Mongolian horses which the Mongolian princes presented to Gen. Huang in token of their appreciation for his services in bringing about the settlement of the local autonomy question are accompanying Gen. Huang to Nanking.

A motion picture depicting Gen. Huang's travels in Inner Mongolia has been completed under the auspices of the Government. It shows the historic meeting between Gen. Huang and the Mongolian princes at Pailingmiao and the Mongolian life in general. The film is expected to be released shortly.

A large delegation of Mongol representatives is expected to arrive at Nanking in the latter part of this month to interview the Government leaders. Upon their arrival, a series of meetings will take place between the Mongols and Chinese officials to work out the details for the autonomy scheme in Inner Mongolia.

The Panchen Lama, "Living Budhha of Tibet" arrived at Kueihua, Capital of Suiyuan, from Pailingmiao Dec. 10. After a brief stay at Kueihua, he will proceed to Taiyuan to see Gen. Yen Hsi-shan. The Tibetan religious leader expects to come to Nanking in time to attend the 4th Plenary Session of the Central Executive Committee which is scheduled to take place Dec. 20.

Gen. Yen Hsi-shan has drawn up a plan for the development of Suiyuan, most part of which is still barren. A ten-year-program has already been formulated and a Reconstruction Commission will soon be formed with General Yen himself as the chairman to carry out the projected plan.

The tense situation between Gen. Sun Tien-ying and the North-western generals following the latter's refusal to allow Gen. Sun's troops to enter Chinghai, has now considerably eased as Gen. Yen Hsi-shan has given his permission for Gen. Sun's troops to settle down on the Suiyuan-Ninghsia border. Gen. Yen has agreed to give them a piece of waste land on the Suiyuan-Ninghsia border for reclamation purposes. It is said that the land is five hundred li in length and two hundred li in width, an area quite sufficient to accommodate 50,000 men.

American Youths and Russian Maidens Who Didn't Wait for Roosevelt-Litvinov Rapprochement

BY A. H. B.

THERE is indisputable evidence that a considerable number of American young men and Russian young women in Shanghai did not await the outcome of the Roosevelt-Litvinov negotiations for the establishment of relations between the peoples of the two nations. They, the aforementioned American young men and Russian young women, went ahead and got married anyway. The evidence is provided in the records of one of the American official organs here in Shanghai which shows that of the 72 officially witnessed and recorded marriages of American citizens in recent months, more than 30 percent were unions of American men and Russian women. And this does not tell the whole story for there probably were more unofficial, or unrecorded marriages than those registered. The reason for this is that there is no American law compelling the presence of an American consular official at weddings of American citizens and furthermore there is no law requiring the recording of marriages at the consulates. However, there are many reasons why it is desirable that weddings should be officially witnessed and recorded because circumstances may arise in future where one or both parties may greatly desire such official record.

That Shanghai is the scene of a considerable number of Russo-American marriages is generally known, but the exact number over any given period has never been available. According to the figures referred to in the foregoing there were 72 officially recorded marriages last year, of which number 22 or approximately 30 percent were Russo-American, that is, American men and Russian women. And of the 22 Russo-American marriages recorded, 17 or approximately 77 percent involved American servicemen in the Navy or Marine corps. Figures for the current year are not yet available but the record indicates an increase in officially recorded marriages, the number being about 80, of which 24 were Russo-American unions or 21 percent of the total. Of these 71 percent were servicemen. In addition to the marriage of native-born Americans to Russian women recorded here, there also are recorded a few marriages of American-naturalized Russians who have returned to China from the United States, and married Russian women here. Also there have been several instances of marriages between American colonials such as Hawaiians and Filipinos to Russian women here, most of the Hawaiians and Filipinos being musicians employed in local cafes and cabarets. The number of marriages between Americans and Russians which have not been officially registered at the Consulate is naturally not known, but by some it is thought to exceed the number which has been registered. In some quarters it was suggested that the actual number of Russo-American marriages probably has exceeded 100 annually and since many of these couples continue to reside in Shanghai and rear families here it means a rapid increase in local American population for the children of these alliances are registered as American citizens.

While many American men interested in business or professional activities who come to the Far East bring their wives with them, there are a considerable number who do not. Of those who do not bring wives from the home land, the probabilities are that a considerable number will marry Russians—because the Russian women, available in considerable numbers, are attractive and make good wives. The belief that such marriages do not turn out successfully is not borne out in the divorce records for there probably are as many marriage dissolutions among native born Americans as there are among those where one party is non-American.

The aspect of marriages between Russian girls and American service men is interesting and sometimes quite involved. In the case of service men, they necessitated the approval of military authorities before they could be performed. There are, however, many marriages between service men and Russian girls that are not witnessed by the Consulate and which accordingly do not have approval from military authorities. These authorities may frown at the wording of this statement, but it is a fact that service men under certain pay grades are vehemently discouraged from marrying, but of course, this is true of all these service men and is by no means restricted to Shanghai. In the case where the man's pay grade comes over the limit approved, the American government provides services for these men and their wives, such as housing and transportation.

It is difficult, if not almost impossible, to obtain statistics covering the number of the marriages among service men and Russian girls which are not approved by military authorities. There are probably as many unauthorized marriages, as authorized, or Consular witnessed marriages, performed. No less than 15 of these marriages (as compared with 17 approved) have come to the attention of local officials recently. Some of them are not successful, said one official, because of economic reasons. The service man below the requisite pay grade simply cannot afford to get married, and when there are children, it is a double burden. There have been cases where, after discharge or termination of service here, the husband has left for the United States leaving his wife behind. There are cases where because of physical disabilities, the wife is not eligible to American citizenship, a complicating matter. There is one case of a service man who left his wife and child here without adequate support or suitable arrangements to bring his wife to the States.

"However," according to one official, "there are two sides to the story. Don't forget that I am acquainted only with the unsuccessful cases of these marriages. There are, I believe, just as many successful marriages in this category as unsuccessful ones, but they simply do not come to my attention." A Marine officer, however, was much more pessimistic. "Russo-American marriages among service men?" he queried, "impossible, that's all. Impossible!"

When asked whether he attributed the large percentage of marriages of the service men to the desire of the Russian girl to obtain citizenship one official was a bit peeved. "Why don't you say it is simply because Russian girls are beautiful and make good wives, and let it go at that?" he exclaimed. We'll accept this conclusion, and let it rest right there!

When the *Jutlandia* sailed from Shanghai for San Francisco on December 10 there were 12 Russian young women on board all bound for the United States to join their husbands who are connected with the U. S. Navy and when President Roosevelt transfers the Navy to the East Coast in the spring, they will get a free trip on a transport through the Canal to New York.

General Han Fu-chu, Criticized, Hits Back

General Han Fu-chu, Chairman of the Shantung Provincial Government, has formally filed a petition with the Hopei Provincial High Court for proceedings against the *Cheng-Lun Pao* and *Chang-Mei Wan Pao*, two Tientsin dailies, which recently published a false telegram attributed to General Han, and which contained serious imputations. In a telegram to the Shantung Provincial High Court, the National Bar Association strongly condemns an order recently issued by General Han Fu-chu, Chairman of the Shantung Provincial Government, which prohibits the appearance of lawyers on behalf of defendants in cases coming up for trial in the various Courts in Shantung province.

Japan to Control Export Trade---Threat of Retaliation Is Made

ALTHOUGH there are undoubtedly many well-founded criticims of Japan's cut-throat methods of doing business—which have practically set the whole western world on edge, resulting in discriminations against Japanese products—a mere glance at a recent (Nov. 30) special edition in rotagravure of the *Osaka Mainichi*, entitled, "Japan Overseas Trade Expansion Number." is sufficient to demonstrate that a great deal of Japan's success in international trade is due to the fact that she has developed her manufacturing processes to a remarkable degree—in many directions having surpassed her teachers, the Americans, the British and the Germans in this respect. While in many instances in the afore-mentioned countries, owing to the huge cost of turning over to more modern processes, particularly at this time of world-wide depression, antiquated methods are still used, the Japanese, in a great many instances, starting from scratch, have installed the very latest types of machinery, and operating these with skilled help, many of them trained abroad, working long hours and at cheap wages, are able to produce at prices way below anything that the Western world is capable of, and this quite "legitimately." Polytechnic schools all over the Island Empire are giving the youth of Japan intensive training in industrial matters. An important point is that the students are animated with a zeal which is probably not realized generally outside of Japan itself, and that is that the whole nation is working as one whose pride—and the Japanese pride verges on conceit of a high degree—has been badly hurt, and from the Emperor down to the poorest school child they are bent on showing the world that, so far as Japan at least is concerned, the old idea, that an Asiatic is an inferior being, will have to be dispelled from the minds of the Western World, and if there is no other way to do it, then Japan intends to accomplish her object with the double weapon of military prowess and economic skill—and as a matter of fact, despite all that one hears of the Japanese military and naval menace, it is really the "menace" from Japan's industry that has caused the most commotion throughout the world. The weight of this impact upon the Western World has been such as to induce more than a score of nations to enact legislation whose prime object is to discriminate against Japanese products—legislation which in many instances may eventually prove a boomerang. Recent telegrams from the United States contained the important information that American exports to Japan during recent months had exceeded those of all other countries in the Asia district combined—a fact which shows how important a factor in world trade, business with Japan has become. It is to be noted, of course, that a great deal of this increase is due to the import of American cotton, to replace the usual imports of Indian cotton—which is being boycotted by the Japanese. The uproar against Japanese competition (which has, undoubtedly, frequently been unfair) has—it may be noted incidentally—had the effect of impelling the Japanese government to take the step of controlling the export trade—among the measures to be taken being control, within the country, looking towards preventing unfair practices. But the principal point in the proposed steps is a threat to retaliate by increased customs duties against all countries who discriminate against Japanese wares.

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As a measure that may by taken by the Japanese Government against the prevailing tendency among the Powers to place restrictions on Japanese goods, it has been officially decided by the Japanese government, internally to regulate Japan's export trade so as not to cause undue anxiety on foreign markets and at the same time externally to assume a drastic policy against the foreign countries concerned, including the imposition of retaliatiory tariffs on all countries that discriminate against Japanese goods.

With a view to controlling exports of canned tuna fish to the United States and thus preventing action being taken against such products, the new Canned Tuna Sales Guild in Tokyo has started negotiations with American buyers.

War Minister Gen. Araki has circularized among Cabinet Ministers a memorandum setting forth the army's recommendations for the country's agrarian reform to be submitted for consideration for the ministerial internal affairs conference. The principal point in the recommendations is that the stabilization of agricultural life should be restored by the encouragement of farm industry in villages and by decentralization of industry.

Recent Customs figures from Manila reveal that Japanese textiles are threatening to dominate the Philippines market. In October American textiles comprised but 54 per cent of the imports and Japanese 36 per cent. whereas in May American textiles comprised 85 per cent. and Japanese 8 per cent.

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Japan's Navy and Army Budget Highest in History

The story of how a Japanese Cabinet crisis was avoided by a compromise effected between the Navy and Finance Departments was related at some length in the Dec. 9 issue of *The Review*, but it is *apropos* to recall that originally six hundred and eighty million yen was the sum demanded by the Navy Ministry as its appropriations for the coming fiscal year, Yen 430,000,000 of this being for new enterprises, including the first instalment of its new Naval Replenishment Program. The Finance Ministry, however, made a drastic cut, declaring that the country's finances could not stand such great expenditure. The Navy Minister thereupon threatened to resign, on the ground that he could not hold himself responsible for naval defence unless his demands were granted. Mutual concessions finally prevented a definite split in the Cabinet and the Navy Minister eventually agreed to Yen 487,000,000 as its allocation for the fiscal year 1934-5, while the 4-Year Replenishment Program was reduced from Yen 670,000,000 to Yen 431,000,000, with the proviso that supplementary estimates will be presented later, if and when financial conditions permit.

Under the new program, a total of 22 vessels of types regulated by treaty are to be constructed during the 4-year period of 1934-8, these being as under:—

Cruisers, "B" Class	2
Aircraft Carriers (10,000 tons each)	2
Destroyers	14
Submarines	4

In addition, eight new air squadrons are to be established at a cost of Yen 59,000,000, giving Japan a total of 39 naval air squadrons by the end of 1937, while a number of vessels not covered by treaty limitations are also to be constructed.

Japanese Naval officials are not yet in a position to give details as to the number and tonnage of these latter. They intimate, however, that Japanese press reports regarding them, though varying slightly from one another, are "fairly near the mark." According to these reports, the details are as under:

Seaplane tenders	3
Oil tankers	2
Repair ship	1
Submarine mother-ship	1
Submarine chasers	4
Mine-layer	1
Torpedo boats	16

The Yen 431,688,000 which the Cabinet (subject yet to Diet approval) has approved as expenditure for this new program is to be spread out, according to press reports, as under

1934-5	Yen 66,854,000
1935-6	Yen100,954,000
1936-7	Yen106,460,000
1937-8	Yen157,420,000

In addition to new construction, extensive reconstruction work is to be carried out on the battleships *Mutsu, Nagato, and Haruna* and on the aircraft-carriers *Akagi* and *Kaga*, as well as on certain "B" Class cruisers.

The military and naval portions of Japan's budget have been increasing swiftly and definitely almost every year. The following comparative table shows the combined total each year of the army and navy budgets, together with the relation they bear to the total budgets:

Fiscal Year	Combined Total	Percentage of whole budget
1928	Yen 486,600,000	28.3
1929	503,100,000	28.4
1930	472,400,000	29.3
1931	405,700,000	7,1
1932	696,000 000	34.6
1933	850,400,000	36.8
1934	936,906,000	44.3

Yen 50,000,000 for Shanghai and Manchurian War Participants

The grant of monetary rewards to officers and men in the service as well as civilians, who distinguished themselves in the Manchurian and Shanghai Incidents, totalling approximately Yen 50,000,000 was approved by the financial authorities in Tokyo Dec. 7. All except three million yen goes to the War and Navy Offices as grants of rewards toward officers and men who saw actual service in the two incidents, while the rest will be distributed by the Foreign Office, Ministry for Overseas Affairs and other Departments.

The Department of Finance has announced that, with the addition of a new internal bond issue during the month, amounting to Yen 401,207,000, the total amount of the government bond issue at the end of November last was Yen 7,809,100,000, of which Yen 1,421,210,000 was subscribed abroad.

As the result of a joint conference held between the Japanese Commerce and Industry Ministry and traders in Tokyo, Dec. 6 it was decided that an exporters' association be organized in order to seek the adjustment of trade relations between Japan and Argentine.

Matsuoka Secedes from Seiyukai

In a manifesto issued last week Yosuke Matsuoka, who served as chief Japanese delegate to the League of Nations before the withdrawal of the Island Empire, issued a manifesto announcing his secession from the Seiyukai and resignation of his seat in the Diet. In his manifesto, Mr. Matsuoka demands the abolition of all political parties in Japan on the ground that they stand in the way of national unity at a time of national crisis. Without wholesale liquidation of exisiting political parties, which have already lived their time and are now quite inadequate to serve the welfare of the nation, the needed national reconstruction can never be accomplished, the veteran politician affirmed.

With the approach of the Diet opening, the various political parties are being kept busy formulating policies. Indications show that the line-up of various parties in the coming Diet season will be practically the same as at the time of the last session of the Diet, with the two major parties, namely the Seiyukai and Minseito, supporting the Government, and the Kokumin Domei, led by Kenzo Adachi, which is generally believed to have fascistic coloring, assuming the role of minority in opposition to the Saito Ministry.

Despite the general depression experenced in financial circles, the rayon industry in Japan is enjoying a brisk business, according to statistics announced by the Ministry of Commerce and Industry in Tokyo, Dec. 11.

The ceremony of commencing the work on the construction of a new 8,500 ton cruiser, the *Suzuya*, was held at the Yokosuka Navy Dockyard Dec. 11. It is expected that the cruiser will be completed by the early part of November next year.

Japanese War Office Announces Casualties of Chapei and Manchuria Wars

The official figures of the casualties in the fighting in Manchuria and near Shanghai were released in Tokyo, Dec. 11 by the War Office. A total of 3,465 officers and soldiers died in the warfare or contracted diseases that resulted in death, the report showed. Included in the list was Field Marshal N. Muto, commander-in-chief of the Kwantung Army, General Y. Shirakata, commander-in-chief of the Shanghai Expeditionary Forces, and one major-general, two colonels, six lieutenant-colonels and 43 majors.

Japan Preparing for 1935

Government officials in Tokyo, are preparing their plans for the world disarmament conference to be held in Washington in 1935. Leaders of the Navy and War Office declare they are prepared to fight for an equal status with the United States and Great Britain even if it means rupture of the conference.

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Japanese Women Turn Towards Communism

Ten girls, six at Meiji University and four sisters in Niigata Prefecture, were arrested recently on charges of participating in Communist activities. The Niigata girls are the sisters of three young men who are under arrest or serving terms for subversive agitation.

Two girls, one the daughter of an upper class family, the other the sister of an accomplice in the sensational robbery of the Omori branch of the Kawasaki Bank last year, have been arrested on charges of engaging in Communist activity. Having placed the young women in detention, the police devoted themselves to investigation of reports that Communism is rampant in the high school classes of Waseda University. One of the two girls arrested is Miss Koto Ishii, 19, daughter of a wealthy merchant at Nagoya, who is said to have admitted that she gave to the Communist group to which she belonged the greater part of Yen1,000 which she had stolen from her parents. The other girl is Miss Katsu Kumazawa, 21, sister of one of the men who helped rob the Omori bank. Both arrived inTokyo last spring and became connected with the propaganda section of the League of Communist Young Men.

Judge Sakamaki, who has been in charge of the case of Ketsumeidan League (Blood Brotherhood) which was implicated in the assasination of the late Finance Minister Junnosuke Inouye, has submitted his resignation to Mr. Uno, Chief Judge of the Tokyo District Court.

A light reprimand to presiding judges whose courts were affected by the discovery some time ago that subordinate judges had been devoting themselves to Communist study probably will bring an end to the incident, according to *Nippon Dempo*. It is explained that, so far as is known, the accused judges did not exercise Communist convictions in their official functions, their thoughts remaining purely private.

Watoshi Sato, thiry-one, a farmer of Niigata Prefecture, has been formally indicted by the Tokyo procurators on a charge of violation of Peace Preservation Law. After completing a term of four years in the Osaka Prison, he is alleged to have resumed his Communistic activities, which continued until he was arrested in May. His four sisters and two-brothers and niece are also in jail, accused of connection with the Communist movement.

The Asahigawa police (Hokkaido) have rounded up nine Communist leaders. The arrests are expected to extend to scores of other Communistic believers.

One of the three Chinese communists recently arrested by the Tokyo Metropolitan Police Board at the request of the Nanking Government went on hunger-strike, Dec 8. The three maintain silence; no proof of their being communists has so far been obtained.

Communist Scares Obsess Japanese Police

The spread of Communism in Japan, despite its small proportions, contiuue to worry the Japanese authorities. Hardly a month goes by without an announcement that the police have lifted the ban on some communist case or other that was brought to light anything from six to twelve months previously. As a rule, the banned news, when finally released for publication, shows that (according to *Reuter*) a large number of radical suspects had been rounded up, but that, of these, not more than eight or 10 per cent had been indicted, the remaining 90 per cent or more having been released, after rigorous examination, for lack of evidence.

Life Assurance Well Adapted to Conditions in China

BY A. J. HUGHES

THE system of Life Assurance, which elsewhere is one of the most vital factors in the social and economic life of the people, is so little known in China that even an elementary attempt to define its functions and prove its adaptability to the people of China may be of some general interest and serve a useful purpose.

A few facts indicative of its development abroad will serve as an introduction. In America and Canada with a population of about 130,000,000 it is estimated that there are over 60,000,000 life insurance policies in force in about 300 companies. The time has long since gone by when men had to be persuaded to insure their lives. The question is no longer "Can I afford life insurance" but "Can I afford to be without life assurance." At the end of 1932 the combined assets of the American companies amounted to over $20,000,000,000 U.S. currency. One American company alone has now a premium income of more than $1,000,000 for every day in the year. Coming nearer to China itself the progress of life insurance in Japan during the last few decades has been comparatively more rapid than in any other country in the world. It is said that an average of Yen 50,000,000 of life insurance is underwritten in Japan every month. Recently 16 companies pooled their assets in one investment syndicate. The combined total is Yen 16,000,000,000.

It is impossible to give any idea of the progress of life assurance in China because the combined statistics are unavailable and even if they were they would include thousands of policies on the lives of foreigners only temporarily in China. Speaking from personal experience I can say generally that the development of life insurance in China on a national basis has been so far almost negligible. The foundation has, however, been laid and the pioneer Chinese company celebrated on the 1st of June last its twenty-first anniversary whilst others have been more recently established.

To really appreciate the force of these few paragraphs one should have a general knowledge of the scientific and fundamental principles on which this beneficent social and economic system we know as "Life Assurance" is based—also why it has stood the test of, and continuously increased in, popular esteem through two centuries of practical application to human needs, and why during these past three years of unparalled economic depression no life assurance company has so far failed to meet its legal obligations whilst thousands of banks and industrial enterprises have closed their doors. Nearly forty years association with the system of life assurance as an organised institution enables me to state without fear of contradiction that the answer to these questions is mainly because it is so fundamentally sound that if conducted in accordance with established principles and practice it cannot go wrong and because its objects worthily serve basic necessities common to all Humanity. As the facts become known life assurance cannot fail to make the same and possibly even a stronger appeal to the people of China as it has done elsewhere.

The system of 'Life Assurance' is both Utilitarian and Humanitarian. It provides for the care of infants, the education of children, relief for widows and orphans and an income for one's old age. In other words, it can be made to guarantee a subsistence from the cradle to the grave or for a whole lifetime out of the earnings of the productive period of little more than half a lifetime.

The successful conduct of the business of life assurance depends upon the accuracy of adjusting the actual rate of mortality among insured lives to the cost of insurance. The rate assumed is always high enough to ensure solvency and as the divisible profits will be more or less according to the extent to which the actual mortality experience is less than that anticipated in calculating the cost of insurance the efforts of life insurance organisations individually and in co-operation are naturally concerned with all that tends to the prolongation of human life. Not only is the mortality among insured lives less than that of the general public but humanity in general has benefitted by the educational propaganda undertaken by life insurance interests in those matters tending to promote health and prolong life such as hygiene, dietetics, the preservation of health and the cure of disease. The Metropolitan Life Insurance Co. of New York, for example, by means of its intensive educational efforts effected a saving of over 70,000 lives of its policyholders in 1932 as compared with its mortality rate in 1911.

Some figures have been quoted to show that the accumulated funds of the life assurance companies representing the mobilised savings of millions of individuals constitute today in Britain, America, Canada and Japan the greatest single factor in national finance. It is quite clear that such enormous funds must possess immense national economic value. They are under modern conditions the mainspring of national economic development rather than the capital of private individuals. Every effort is made by the legislation of these countries to encourage the development of such funds, to secure their protection and to prevent their depletion by the competition of foreign enterprises.

In no country in the world is the system of life assurance more needed or as readily adaptable to existing conditions than China. The traditional family relief system with its obselete, haphazard and intolerable financial drain on the resources of a few of its members that has so long prevailed in China must gradually give place to the organised, scientific, equitable and far less costly social system of life assurance. Men of intelligence and a sense of responsibility bound by mutual ties of affection in the intimate relations between father and son, husband and wife, elder and younger brothers and other relatives are beginning to realise the great benefits life assurance offers in defending the family circle from cases of destitution within it. It is a common experience of successful men to be constantly called upon for financial relief by relatives less successful or their widows and children. Life assurance not only makes it unnecessary for one's own wife and children to seek relief from relatives, sometimes unobtainable and always reluctantly given, but every man who provides for his own immediate family in this way must want his brothers, his brothers-in-law and his sons to protect their families in the same sound, prudent and competent manner.

Completion of Revolutionist's Memorial at Nanking

A striking evidence of the idealism underlying the practical utilitarian activities of the Nanking Government, is seen in the million-dollar group recently completed on Purple Mountain, a little to the East of the Sun Yat Sen Mausoleum, comprising the magnificent "Memorial Cemetery for Martyrs of the Revolution."

Toward the close of 1929, General Chiang Kai-Shek invited Henry Killam Murphy, to design a Revolutionists' Memorial. The site chosen was on the grounds of an ancient Buddhist Temple, Lin Kou Sze, situated on a gently rising slope about the same distance to the East of the Sun Yat Sen Mausoleum that the latter is East of the old Tomb of the first Ming Emperor; thus forming a symmetrical, three-point composition with the Sun Yat Sen Mausoleum at the Northern apex. After a careful study of the site, General Chiang approved of Mr. Murphy's suggestion that the central feature of the whole group, around which, at the intersection of the two main axes of the plan, its other elements would be composed, should be the 600-year old "Beamless Hall"; which Mr. Murphy has now restored as exactly as possible to its original state, to serve as a Sacrificial Hall, in which are ranged around the walls 120 stone tablets, each inscribed with the names of 200 soldiers, both officers and men, who have fallen in the various stages of the Revolution, and whose remains, gathered from many parts of China, are now being buried in the three great horse-shoe shaped cemeteries which form the main features of the group.

This famous old all-masonry "Beamless Hall," by far the largest and finest of its kind in China is 110 feet long, and over 50 feet high. It consists of three parallel, barrel-vaulted halls, extending the full length of the building, the side aisles being 16 feet wide by 24 feet high, and the great central nave 37 feet wide by 48 feet high. The entire central vault, and the middle portions of each side vault, fell seventy-five years ago, when the building was blown up in the Taiping Revellion. When Mr. Murphy started his study of the moss-grown ruin, to determine the architectural details of the ancient interior, he found a tree sixty feet high, growing out of the ten-foot pile of debris above the old floor. Some of the fragements uncovered in clearing away this debris were of great archaeological interest; and the

best-preserved relics have been carefully put together and mounted for permanent exhibition. Due to the violence of the explosion when the roofs were blown off, the walls, though many feet in thickness, were felt to be not solid enough to take the thrust of a new masonry vault; so Mr. Murphy and his consulting engineer, Tse Sing Sih, worked out a scheme of reinforced concrete cantilever trusses to span the great nave and to support a hung vault of a single layer of the old bricks forming the original vault. Thus it has come about that the visitor to the restored "Beamless Hall" sees the vast interior not only in its original form, but of the actual bricks in their original positon.

Three Cemeteries, walled in the characteristic horse-shoe shape of the more imposing hillside-graves all over China, each enclosing about two acres of ground have been built to receive the actual remains, the bones and ashes being gathered into urns to be buried in the ground. One cemetery is on the center-axis of the group, just north of the drive encircling the great Sacrificial Hall; and two at the ends of the cross-axis drawn through the center of the Hall, and situated on small hills about 1,000 feet to the east and west respectively. The east and west cemeteries, as well as the central cemetery are reached directly by broad drives, with circular turn-arounds at the central point of each cemetery. The thick groves of trees on these cemetery sites have been kept intact outside the encircling walls; and the finest of the trees inside the cemeteries kept as the main features of an attractive landscape treatment worked out by Munsey Lew, under the direction of H. K. Fu, the able resident director af the Sun Yat Sen memorial Park.

Immediately to the north of the Central Cemetery is the Memorial Hall, which Mr. Murphy has designed in the purest Chinese architecture, in which will be gathered historic documents and records of the Revolution and of its leaders, arranged as a permanent public exhibition, to serve as an inspiration to present day and future young China. A most interesting feature of this beautiful Memorial Hall, (which is strongly reminiscent, both in form and size, of the central building of the Forbidden City in Peiping), is the use of integral cement coloring of the columns, beams, and lintels, which glow with the rich reds, blues, greens and buffs of pure Chinese coloring, without the use of paint; thus ensuring permanence of color in place of the gradual fading which has so dimmed the once-glorious painting on the wood surfaces of the old Chinese buildings. As an illustration of the care with which the old is being preserved in building the new, Mr. Murphy has arranged to embody in the design of this new memorial building the lower story of an ancient hexagonal Pagoda under which was buried, many centuries ago, the Buddhist monk whose preaching made this old temple famous. This old structure, which stands directly on the main axis of the group, has been restored and will be linked by a short covered way to the rear of the new memorial building, which Mr. Murphy has placed, with this in mind, a few feet to the south of the old Pagoda.

At the head of the whole group, about 1000 feet north of the memorial building, rises a splendid nine-story octagonal pagoda, with a green Chinese glazed tile roof, crowned with the characteristic short bronze spire. This pagoda, which is 46 feet in diameter at the base and 28 feet at the top, rises 175 feet in the air; and as the level of the mountain-side at this point is some 300 feet above the level of the city within the walls, this memorial tower is visible from all the southern half of Nanking, and from the steamers on the Yangtse River.

The inspiring story of the Revolution will be told on 32 exterior tablets, four on each of eight stories, read by visitors walking around the balconies on each story; and on the inner faces of these 32 tablets will be inscribed inspiring words of leaders of the Revolution. Each story will thus have much of interest; and visitors, taking the stairs one flight at a time, with pauses at each story to walk around the balconies reading the tablets, will be spared the tiresome task of climbing many flights at a time which is usual in towers where there is not something of interest on each story

Of immediate interest to Shanghai is the fact that the place of honor—the central section of the middle cemetery,—has been designated to receive the remains of soldiers who fell in the defense of Shanghai against the Japanese invasion of 1931; and the plaster model of a memorial shaft to commemorate their heroism already rises close to the 18 foot wall of the cemetery.

No date has yet been set for the formal dedication ceremonies of the Memorial; but it is probable that these will be deferred for a few months, until the planting and paths are in final shape, and the task of interring the remains already gathered in the old "Beamless Hall" has been completed. Meanwhile hundreds of visitors are to be seen every week, passing quietly through the grounds and the buildings, awed by a feeling of reverence for the dead, and by the majesty and beauty of the group.

Reds Open Fire on Yangtze Steamer Below Wanhsien

(From the Review's Correspondent at Hankow)

Communists under Red Commander Ho Lung started firing on steamers at Yungyang, Szechuan, just below Wahsien, on the Yangtze river. This is intended to assist their fellow-communists on the north side of the river who are being hard-pressed by the various troops under Gen. Liu Hsiang. However, the full campaign has not gotten under way as yet, and the 100,000 soldiers nominally under his command have not been able to wrest the former government arsenal city of Suiting from the Reds, although reports to this effect have been in circulation for a fortnight. Stubborn resistance is being manifested by the communist forces, wherever they have got a foothold. The farming population is also rendering the communists valuable aid, in lieu of the glorious promises of a New Deal, given in all districts entered by the Reds. Only after five days of heavy artillery fire and airplane bombing, have Gen. Liu Hsiang's forces succeeded in breaking the communist line outside the city. Heavy losses on both sides are reported. Over 5000 casualties among the communists, it is roughly estimated, resulted from the 5000 bombs dropped on the enemy by the government airplanes, since Dec. 1st. Hsuanhan, a city in this district, has not been recaptured as yet, although a definite time limit for its capture has been set by Gen. Liu.

Besides the fighting around Suiting, a desperate engagement is in progress near Hsinhsinchang, near Yinshan. Gen. Liu Hsiang, Commander-in-Chief of all the Bandit Suppression forces in Szechuan, has ordered Gen. Tien Sung-yao to move on Yinlung, thus making possible a joint attack on the communists.

Should the fighting on the north bank of the Yangtze become too hot for comfort, it is more than likely that Red Commander Ho Lung will start some fire-works south of the Yangtze to distract the attention of the Szechuan military leaders in their attempt to concentrate on the elimination of the communists in northeastern Szechuan. Although these generals have requested $10,000,000 for military expenses, Nanking has only promised $3,000,000.

The Yangtze river traffic has not been affected, however, by the communists, foreign gunboats being more numerous on the upper river now than usual.

Troop movements along the Peking-Hankow railway southward to Hankow, continue unabated. The Wuhan center is very quiet, except for the recruiting of new troops. Troop movements down river to Kiangsi and Nanking are a daily occurrence.

The chairman of Hupeh province, Gen. Chang Chun, one of Gen. Chiang Kai-shek's right hand men, returned the 7th Dec. from a prolonged visit to Nanchang and Nanking. There seems to be no doubt about the loyalty of the military leaders in this center to Gen. Chiang Kai-shek and the Nanking regime. However, strict censorship of the local press is being maintained, and a census of the Wuhan center is to be taken to insure against the influx of anti-Nanking agitators.

The civil war in Kweichow province is fast approaching a critical stage, with the erstwhile chairman of Kweichow, Gen. Wang Chia-lieh staging a comeback, but with meager success. The victor is Gen. Yu Kuo-tsai, who with the support of the chairman of Yunnan province, Gen. Yung Lung, is succeeding in driving Wang out of the province. Besides the aid of Yunnan, Gen. Yu Kuo-tsai has enlisted the help of Szechuan, and his colleague Gen. Chiang Tsai-chun is opposing Wang from the north with the assistance of Szechuanese troops. Reports are current in Hankow that a new government has been established also in Kweichow and that it is in sympathy with the Fukien rebels. The new government has started issuing new currency, established its own bank, bagged all the silver within its jurisdiction, and

organized a full cabinet to carry on the business of government. Their new flag is the old five-striped banner of the republic, with a star in the center, according to information from foreigners residing in this area.

Hunan province, except for the southwestern districts, is quiet. After having had high blood pressure for a fortnight just after the Fukien trouble broke out, the citizens in Changsha are again settling down to a more peaceful repose. The memory of 1930 and the communist outrages in Changsha are still fresh in the minds of all but babes in arms, and should the communists in Kiangsi decide to start a westward trek, Hunan would suffer again. Gen. Ho Chien is keeping his ear close to the ground and any move made by the Southerners, either the Canton, Kwangsi, or Fukien group, would find him in a friendly frame of mind, ready to strike a bargain. His policy is to give the Hunanese peace, and to continue as governor of Hunan.

In Honan recruiting is going on in full force. The government has given strict orders that all troops recruited must be enrolled in the government army. Just east of Chengchow, central Honan, it is reported that the government is establishing a poison gas plant. Just at present the government troops seem to have the bandit situation in Honan pretty well in hand. Most of the active communist groups along the southern border of Honan have migrated to Szechuan, where the prospects are brighter and the crops richer.

Hankow, Dec. 11, 1933.

Reds Routed from Tachenshan Mountain Stronghold

The Tachenshan mountains in the Lichen-Neuchang sector of East Kiangsi were completely recovered from the bandits during last week. After the last two victories claimed by government forces at Lichen on the Kiangsi-Fukien border and at Hsuwan near Fuchowfu, the bandits' First Army Group, who met several serious reverses at the hands of government land and air forces, are confining themselves to the wooded mountains at Kwangchang, Chufeng and Lofeng, south of Shenkang and Tangping, two strategic points within the bandit area adjacent to the Lichuen-Nanfeng sector of the government line.

The Kiangsi Communists, after having suffered several disastrous defeats at the hands of the Government forces, are moving steadily towards Southern Chekiang with the obvious intention of penetrating into that province from Yushan and Chienshan.

Owing to the lack of cash and the shortage of foodstuffs, the Soviet Government in Kiangsi is expected to crumble soon. According to the latest despatches from the Kiangsi front, the Red authorities are issuing banknotes by the thousands without any cash backing, while Communist troops are now robbing and kidnapping the country folk in order to maintain themselves.

The 7th "Red" Army Corps which invaded Kinki from Tzuki, eastern Kiangsi, was repulsed by the Government troops at Sunshih last week. The defeated brigands escaped to the mountains south-west of Kinki and Nanchang.

General Sun Lien-chung, Commander of the 26th Route Army, proceeded to Nanchang Dec. 9 and requested General Chiang Kai-shek to despatch units to the Chekiang-Fukien border to participate in the punitive campaign against the Fukien rebels.

A strong force of Reds near Chunmanshan, in central Kiangsi, was defated after a short engagement. Dec. 9. The Communist losses were put down at over 100 killed and 30 captured.

General Liu Ying-ku, newly promoted Field-Commander of the 2nd Column of the Western Route Bandit-suppression forces for the provinces of Kiangsi, Kwangtung, Fukien, Hunan, and Hupeh, assumed his duties at Pingsiang, western Kiangsi, Dec. 8.

Three leading Chinese members of the Communist Party in China, were arrested in Tokyo by the Metropolitan Police Board, last week. The three men are natives of Kiangsi Province. They gave their names as Tsai Kuang-ho, Hsiung Lung, and Chen Jen-kuei.

Spanish Missionaries Kidnapped Near Szechuen Border

Rev. R. P. Ferdinand de Dima, Rev. Bartholomee de Puente, and the lay-brother Isidore de Lascos, Spanish Capucin missionaries, on duty at Li Poo, a small village in the southern part of Shansi near the Szechuen border, were kidnapped by 200 bandits who entered the village and forced the doors of the mission on the night of Nov. 12.

General Liu Hsiang, Commander-in-Chief of the Szechuen Bandit-suppression forces, has issued a circular order to the various Szechuen units to enforce an economic blockade against the bandit-infested areas. Martial law has been declared at Chungking, Wanhsien and Chengtu.

Suiting was practically surrounded on all sides by the provincial troops Dec. 6 although the Communists inside the city continued to put up a stubborn resistance against the attacking forces. The offensive against Suiting by the provincial forces under General Liu Hsiang was started on December with the assistance of heavy artillery and airplanes.

More than 900 officers and men of the Szechuen provincial troops were killed and injured as result of five days terrific fighting with the communists along the Sui River, according to reports reaching Chungking, which stated that the casualties on the side of the communists were twice as heavy.

U. S. Government Becomes Shareholder in 1293 American Banks

The United States Government has purchased U.S. $425,000,000 of preferred stock and capital notes of 1,293 banks in connection with the Government's plan to assume a partnership in the nation's banking business.

The directors of the National City Bank of New York Dec. 5 submitted a recapitalization plan which provides for the issue of $2,500,000 five per cent cumulative $20 preferred shares. In furtherance of President Roosevelt's plans to strengthen the capital structures of the banks preparatory to credit expansion for the benefit of industry, the National City Bank of New York is selling $50,000,000 of its preferred stock to the Reconstruction Finance Corporation.

Exports of general merchandise from the United States to Japan are booming at present. Exports to Japan for several months past have been greater than purchases by Australia and all Oriental countries, including the Philippine Islands combined. A recent Washington message stated that the dollar-yen rate will probably play an important part in eventually determining at what point the American dollar will be stabilized.

President Roosevelt announced December 7 that the Treasury offering of $950,000,000 worth of certificates of indebtedness dated December 15, 1933, had been oversubscribed and the lists closed.

The United States Association of Manufacturers, representing 560,000 manufacturers throughout the country, unanimously decided Dec. 9 to ask President Roosevelt to stabilise the dollar on a gold basis.

Half a million dollars of counterfeit money and a complete counterfeit plant were seized in a raid on a cottage in Chicago, Dec. 7. The men had in their possession $30,000 in counterfeit money.

Recent Washington advices state that there is little prospect of restoring the fifteen per cent wage cut which was made on all employees of the Federal Government early this year. The reductions in salaries applied to all civil service employees, political appointees, part-time workers, Army, Navy and Marine Corps. President Roosevelt and all members of the Senate and House accepted the reductions.

Manuel Quezon, President of the Philippine Islands Senate, on arriving in Washington Dec. 7 at the head of a delegation of Filipino leaders seeking a new independence measure from the Administration and Congress, said he intended to submit the case for the Philippines to President Roosevelt and is confident that the President "will act justly."

President Roosevelt Dec. 11 announced the formation of a special foreign trade agency under George N. Peek, Farm Administrator.

The Farm Administration announced Dec. 12 the formation of a cotton pool to liquidate the 2,400,000 bales held by the Government.

Italy Would Reform League---Otherwise Withdraw?

A recent Rome message intimated that Signor Mussolini will shortly produce proposals that the League at Geneva include all important nations now non-members of the League, including Japan, Germany, the United States and Soviet Russia; incidentally would drastically curtail the powers of the smaller countries.

At the same time, the Fascist Grand Counci has decided that unless the League of Nations is reorganized along new lines, Italy will follow the example of Japan and Germany in withdrawing from Geneva.

Le Temps, Paris, emphasizes the gravity of the Italian proposals, which, it says, are calculated to lead to the institution of a "directory" of the principal Powers on the fabric of the League.

In the House of Commons Dec. 6, the First Lord of the Admiralty announced that, provided the necessary financial provision was made, it was anticipated that the Singapore naval base would be completed by the end of 1939.

The German Ambassador in Rome, Dec. 7 called on Signor Mussolini and informed him that Herr Hitler had no proposals to make in regard to disarmament or the League of Nations. Il Duce is stated to have been very disappointed.

M. Avenol, Secretary-General of the League of Nations, delivered a 2,000-word apologia for the League, tantamount to a repetition of Lord Balfour's dictum "If the League did not exist we should have to invent it," at a luncheon given by the British Government at the House of Commons Dec. 11.

⁂

De Valera Declares O'Duffy's Blue Shirts Illegal

Eamonn de Valera, President of the Irish Free State in a proclamation issued in Dublin Dec. 8 declared the Young Ireland Association unlawful under the Public Safety Act. Members of the Association may now be arrested on the slightest provocation, leading to trial by a military tribunal with powers to inflict unrestricted penalties, including flogging and death, on a wide range of political offences. General O'Duffy, leader of the Blue Shirts, said the organisation would proceed with its activities and described the proclamation as "a monstrous, illegal act of political persecution, without a shadow of moral justification"—and then fled to Northern Ireland.

⁂

Disorders in Spain Break Out Anew

A state of alarm was proclaimed throughout the whole of Spain Dec. 9. The anarchists issued a manifesto that a revolution was imminent. Serious fighting broke out in the village of Hopitalet in Catalonia. They tried to burn a factory in the village with inflammable liquid. Civic guards fired on the mob, whereupon the later fled towards Barcelona. Bomb and shooting outrages were reported throughout Barcelona. A church in the Pueblo Nuevo district was bombed.

⁂

New French Government Reduces Official Salaries

Camille Chautemps, French Premier, scored a great victory in the Chamber in Paris Dec. 7 when the bill providing for the reduction of official salaries, in accordance with his financial program, was passed by a majority of 403 as against 63 votes. This bill was the knottiest problem for the new Cabinet, the battle raging over Article Six, which had brought about the downfall of several preceding ministries. After a plea to officialdom voluntarily to share sacrifices for the sake of sounder national finances, M. Chautemps put a motion of confidence to the Chamber, and when this was carried, the Chamber passed Article Six. Prior to the vote on the cuts in official salaries, the Premier administered a grave warning to Parliament against the prolongation of the political crisis, which might lead to growing unrest in the country and a catastrophic attack of international speculation, leading possibly to a resort to inflation, in which event the officials would be the first to suffer.

Japan and Australia May Exchange Diplomatic Envoys

A *Rengo* message from Tokyo, Dec. 12, stated that the stationing of the fully accredited diplomatic representatives respectively at Tokyo and Canberra, the capital of Australia, may be realized in the very near future, following negotiations shortly to be started between the Japanese and Australian Government.

The possibility of the formal exchange of Ministers in the near future has been confirmed by a message from Canberra, the capital of the Australian Commonwealth Government, stating that the Commonwealth Government has decided to send a special diplomatic mission to Japan in February next year with a view to negotiating with the Tokyo Government for the establishment of the Australian Legation in Tokyo. It is intimated in this connection that should the Commonwealth Government actually establish its Legation in Tokyo, the Japanese Government would be ready to establish its legation in Canberra.

Japan Officially Accepts Indian Proposals ---But Merchants Demur

Capitulating from its former firm stand, the Japanese Government Dec. 8 decided to accept the Indian Government's counter-proposals at the Indo-Japanese Commercial Conference at New Delhi. India, it is to be noted, has accepted many of Japan's suggestions, among them that the quantity of cotton fabrics which India will accept from Nippon should be fixed at 400,000,000 square yards annually and that the customs duty on Japanese cotton tissue be decreased from 75 to 50 per cent. Furthermore, Japanese artificial silk and dry goods will receive "most-favored-nation" treatment.

The official acceptance of the Indian proposition has by no means brought an end to the controversy. The Japanese industrialists claim that they have been "let down" in the negotiations. It reported from Osaka that, dissatisfied at the attitude of the government, the Union of Japanese Cotton Mill-owners is advocating to keep on with their active policy of boycotting Indian raw cotton.

Earnest efforts to save the Indo-Japanese trade negotiations from complete fiasco are being made both at Tokyo and New Delhi between the Japanese and British authorities notwithstanding the uncompromising attitude maintained by the business circles in both India and Japan. On the one hand, Mr. Sawada, Japan's chief delegate, is conducting the final parley with the Indian authorities on the basis of the instructions cabled from Foreign Minister Hirota, while, on the other, in Tokyo Mr. Kurusu, chief of the Trade Bureau of the Foreign Office, is carrying on consultations with T. M. Snow, the British Charge d'Affaires, with a view to acquainting British circles with the position of Japanese businessmen. It is intimated in this connection that the Japanese official quarters are taking particular pains to explain the fact that whereas the Japanese official quarters keenly desire and are making sincere efforts for the satisfactory conclusion of the Indo-Japanese parley, they are unable to put pressure on cotton merchants to persuade them to accept the Indian demands as they stand.

Two British cotton commissioners will go to India early next year to act as liaison officers in increasing the use of Indian raw cotton by Lancashire, according to the *Manchester Daily Despatch*. This decision is based on a recommendation from the British textile mission to India, and has been announced by Sir Richard Jackson, the chairman of the Indian Cotton Enquiry Committee.

Marquis Marconi Terminates Visit to China

Marquis Marconi, the celebrated inventor of wireless telegraphy, and Merchionese Marconi, departed from Shanghai for Italy on Dec. 12. The previous day the pair visited the new International Radio Station at Chenju, attended a cocktail party given by W. J. Richards, head of the Marconi Wireless Telegraph Company in Shanghai, at the Cathay Hotel, and a banquet at the Astor House given in their honor, by the Pan-Pacific Association of Shanghai. At Chenju the Marquis saw Chinese engineers testing the Marconi transmitters. The inventor spoke highly of the accomplishment of Dr. Yen Jen-kwang, director-general of Telegraphs and Telephones of the Ministry of Communications, and Dr. Wen Yu ching, director of the Radio Administration, under whose supervision the radio station at Chenju has been developed.

The Academia Sinica, Shanghai Association of Universities and Colleges, the Science Society of China, the Chinese Institute of Engineers, the China Radio Engineering College, the Shanghai Broadcast Association, China Society of Arts and Science, China Radio Service Corporation, China Institute of International Relations, Shanghai Secondary School Teachers' Association, the Chinese Association for the Popularization of Science, the Educational Association of the City of Greater Shanghai, the Association for the Welfare of Government Telegraphists, and the Chinese Radio Laboratory gave a tea party in honor of Marquis Marconi at Yung Wing Hall, Chiao-tung University, Shanghai.

How Rural China Is Being Remade

BY EDGAR SNOW

TING Hsien is about 130 miles south of Peking, near the heart of Hopei province. I went there recently, intending to visit only for a day, then to return by the same decrepit Kinhan "express" that had brought me, taking six hours, over a decaying roadbed reaching down from Peking. Instead, I did not leave till the fourth day, under the compulsion of urgent business at Peking.

In Ting Hsien I had found some of the most dramatic and what may prove to be more important work in "life reconstruction" going on anywhere, outside Soviet Russia. An exageration? But wait.

"Ting", by the way, means, among other things, "fixed", or "tranquil". The character "hsien" is used to designate a provincial district, which nearly corresponds to a U. S. county. "Ting Hsien" may thus be translated "Tranquil County", though its history of more than 2,000 years offers possibilities for more romantic speculation. It is so with many places in China, whose derivations have become mixed or confused in the long legend of man.

Ting Hsien has an area of 480 square miles, and it is but one of 131 hsien in Hopei province. Its 397,000 inhabitants live in 472 villages, ranging in population from less than 50 to 1200 families each, with an average of six persons to the family. More than 85% of all Chinese dwell in the hundreds of thousands of villages that make up the nearly 2,000 hsien of rural China. They live under conditions which, for all practical purposes, may be considered the same as those in "Tranquil County." But, how many are "all Chinese"? Nobody knows. Some say as high as 700 millions. Others, as low as 300 millions. If we take the figure between the two, estimate the population at 500 millions, then more than a fifth of the earth's humanity lives in places very much like Ting Hsien. Does anyone need to be told that something which may conceivably reshape the whole content of life for those millions is profoundly important to the world?

The Hsien at Close Range

First, let us look at the average Chinese village, the component of the hsien. I have travelled several thousand miles in China, and I suppose I have casually visited three or four hundred village, hsien capitals, and cities. In nearly all interior parts of China the basic norm of life, the mold of environment, is much the same, and scarcely differs from that followed for centuries. Little Soviet China presents, of course, a radically different picture. Information concerning it which is not distorted by propaganda, pro or con, however, is hard to secure, and since it is unlikely that it will survive the terrific drive now being made against it by Chiang Kai-shek's 300,000 troops, it may be omitted from consideration here.

In most districts in the interior the only roads are cart tracks, worn deep through cennturies of use. Often they are mere caravan trails, wandering across farms and over mountainous terrain, impassible for wheeled traffic. The vast majority of rural folk rarely see, never use, a train, airplane, automobile, radio, electric light, or newspaper. Names of things that to us are commonplaces, but to China's masses are unknown, would fill a book. Such simple words, for instance, as hygiene, germ, bacilla, sanitation, vitamin, dynamo, turbine—the whole world of word-ideas of science and industry which have become part of our lexicon—connote nothing to the masses of China. From 80 to 90 percent of them are totally illiterate, and are almost incredibly poor.

In the villages, made up of peasants who farm the surrounding lands, and who live together for mutual protection against bandits and for social intercourse, the houses are mostly floorless huts made of clay bricks, roofed with straw and sometimes with tile, lighted at night by rape-seed oil, or kerosene lamps. Millet and wheat are the staple food in the north; in the south it is rice; meat can rarely be afforded. Probably the average farming family earns a livelihood from less than two acres of soil; probably from 80 to 90 percent live on less than three acres. The family's average annual income today does not exceed $240, Chinese currency, the equivalent of about U. S. $60. Divide that among the six members of the family, and you have an annual per capita income of about U.S. $10. The average farmer makes, in a year, little more than the hired Chinese laborer. The latter's magnificent daily wage is now under $0.20, Chinese money—about U. S. $0.04!

Ignorance, poverty, and disease, prevalent among rural Chinese, are among the basic reasons for China's backwardness. To a large extent they explain the Chinese failure to measure up to the requirements of modern citizenship. A fourth significant factor, closely related to those three, is the nearly total absence of social or community pride and spirit, the lack of public consciousness. Always the Chinese has lived, mollusk-like, and Confucianist, within the family. What happens beyond that restricted unit does not trouble him. Hence, his imperturbability at social misfortunes, his unconcern with civil war, his indifference to Japanese invasion. Hence, his unwillingness to cooperate for any purpose beyond his narrow horizons.

Wherein is Ting Hsien different? Wherein lies its significance? How is it possible that change, even if vast change in Ting Hsien, which is but a single cell in the tissue of China, may eventually alter the whole organism? What is it like today, this "Tranquil County" that, as other hsien in China, has been abused, looted, flooded with opium and heroin, heavily overtaxed, but seldom taught or understood, by the various republican governments of our day?

Outwardly it looks much like any other grouping of villages in China. The differences wrought are in people, in their psychology, in their whole outlook on life, not in belching smoke-stacks of imported foreign industry, macadam roads, racing cars for a few, deeper misery for many. Here you have to adopt an omniscient eye, glance from vilage to village, pierce roofs, and perhaps now and then examine the mind of men.

Over there on a farm stands a family, gazing intently at the yellow earth, where a square of it has been smoothed over. A young man, using his hoe handle for a stylus, practices characters. "Wipe out illiteracy in China!" he laboriously writes. And then another, a young girl, takes the hoe and proudly inscribes, "Build new citizens for the nation!" Perhaps the old man writes also, and the old woman.

Near another village, out under the late autumn sun, which at its zenith is still hot so that the brown children run naked under it, is a group of two hundred young farmers. They range in age from 12 to 25. Strung along a country road, they carry hoes in their hands, rakes, shovels, spades, and rhythmically they work side by side, turning over the earth, levelling it, grading. Before them stretch two ruts, deep in the dust, filled with holes; behind them lies the repaired road which they have made. These youths come from six different villages, and in front of each group is a man bearing a banner, on which is written the name of his village. No bayonets prod them on, nobody pays them, no one supervises them. This is voluntary cooperation, for a common purpose, something which people who know rural China can scarcely believe.

The Wheel-Barrow Hospital

Out in the fields, slowly moving down a lane too narrow even for a cart, is a Chinese wheelbarrow. On top of it is a neat white box. On its sides are colored pictures, which describe its mission, show white-clad doctors ministering to the sick. Beside the barrow trudges a young Chinese nurse, and inside the box are vaccines, gauzes, bandages, simple medicines. This "Wheelbarrow hospital" gives hundreds their first glimpse of modern medical science.

On to a slightly larger village. Here a group listens to a radio—a radio made in Ting Hsien, and owned by the village. At another place, by looking over a mud wall, you can see forty or more young girls, in an improvised schoolroom. They are carefully following, in their four-cent readers, the story which a young woman teacher, hardly more than a child herself, helps them to understand. It is a story that tells of the nature of the disease trachoma, which is locally endemic. The girls are beyond primary school age; some of them are young mothers. Nobody forces them to come here. In most parts of China even the daughters of scholars are not considered worth educating. Who has broken down the conservatice front of the parents of these young women?

PEOPLE'S WELFARE---BUT NOT POLITICAL COMMUNISM

Top Row. (left) A Ting Hsien health clinic; (center) Peasant girls at school; (right) Wheelbarrow hospital. Second Row, (left) Mass meeting at Ting Hsien; (center) Chu Shih-ying, potent force in the movement; (right) A Ting Hsien Cooperative. Third Row. (left) Some of Ting Hsien's 100,000 children; (center) Fine Example of Sung architecture, headquarters of Ting Hsien experiment; (right) Boys from six villages build a road. Bottom. (left) The agricultural Experimental station; (right) James Yen, leader of the movement, letters the sign for the new Institute for Political and Social Reconstruction.

Out in a field, men from three villages observe the the results of an agricultural project undertaken by farmer Wang, who has been growing a new kind of cotton. They sample the milk from Chang's goats—lowly animals which Ting Hsien people five years ago regarded as being even less useful than a girl child. They consult over a hybrid swine, the result of a planned romance consummated between the small, long-bristled native pig, and an imported Poland-China boar. They total up the eggs produced by the hen resulting from a cross between a native chicken and a Rhode Island Red Cock. Astonishingly, they use in their conversation the equivalents of such words as "research," "experiment," and "scientific." And they exchange congratulations. Farmers in China are illiterate, but as regards farming they are nobody's fools. When they begin to spend valuable time in huddles like this there must be good reason for it.

Where is the spark-center from which these innovations generate? It is in the 415 schools in Ting Hsien's 472 villages—mass educational schools, run almost entirely by the people, without government support. Here thousands of young men and women have learned to read and write. Here, which is more, thousands of them have learned, are learning now, to work together, plan together, organize themselves into formidable farmers' unions joining other village units, striving for social, economic, and political betterment.

Each of these schools now becomes a meeting hall, run by alumnae, sometimes by alumni, associations, graduates of the people's educational courses. Each is composed chiefly of youths between the age of 12 and 25, men and women beyond primary school age, of which today there are 100 million still illiterate in China. Each gradually becomes the controlling influence in village government, sets local standards, exercises considerable group power.

Cooperatives Eliminate Profits

In many such schools one sees a little "corner," where medicines and first-aid equipment, purchased by the villagers, are kept for dispensation at regular "consultation" hours. Together these new literates now jointly finance and manage their own co-operatives, eliminate traders' profits, buy and sell their own supplies. They make loans to members at low interest rates, provide storage and merchandising facilities for farmers who heretofore have been helpless in the grip of usurers, town and city grain profiteers, and bankers. Together they form committees to eliminate drinking, gambling, opium, heroin—not because they are "immoral," but because the village is poor, and such vices make it poorer. Together they keep the houses, streets, sometimes even the henyards, clean, because they have learned of the germs of disease.

Now turn the eye toward Ting Hsien City, seat of the government of this county that is strangely different. Marching toward it are groups of men, carrying themselves in a manner indicating they have received some military training. Some of them are members of village defense corps. Before each, an elected leader carries a banner. They wear their best (and probably only) cotton gown, some of which are made from cloth produced entirely in Ting Hsien.

Where are they going? In the city an agricultural exhibit attracts them. They have come to see what their fellow farmers are doing. This exhibit is not run by the government, but by the people, by the organized village-farmers, who proudly display their products. A fair in which prizes, bought by the unions, are given to the man with the best pig, the best egg-layer, the largest and richest dates, turnips, melons, and so forth.

Tonight these youths will go to witness a modern play, enacted by peasants, a play that is not sung in an ancient, unintelligible Chinese, with brass gongs clanging, but a spoken drama that touches the fibre of their lives. They will see it performed in a theatre fashioned from an old examination hall by Hsiung Fu-hsi, famous playwright, graduate of Columbia, and creator of a new people's drama. Do they like it? Well, they pay money to see it. In Ting Hsien everything must stand or fall on the people's support.

But, all of these things did not just happen. Who set into motion these revolutionary changes? Back of them is a story of struggle between an ancient but now decadent way of life, and a group of energetic, enspirited young scientists, determined to create among their countrymen avital pattern of life, enriched with new ideals, new faiths, broader loyalties, above all a common belief in themselves and their ability to master their environment. Ting Hsien's record is the story of their enthusiastic and selfless search for the foundation truths on which to establish sound technique for making over rural China. Their leader is a Dr. Yen Yang-chu—James Y. C. Yen, as he is known to many Americans.

An Able Scholar

An able scholar, an original educator, an effective writer and an inspiring speaker in both English and Chinese, Yen Yang-chu is a dynamic intelligence rare in passive Asia. A man of facile mind, creative, inventive, imaginative, he has also the combination of ability as organizer, as practical thinker, as active executive. In the Ting Hsien Experiment the touch of his genius is everywhere.

Dr. Yen was born of a line of scholars in Szechuen, China's far western province, which is lovely with lordly mountains and splendid forests, was once wealthy, is now devastated by years of ravage under brigand-generals, to whom the people sometimes are obliged to pay taxes as much as 60 years in advance. Recognition of their plight must have impelled Yen, early in life, to seek some means of helping achieve the extirpation of the military octopus.

In America he went to Yale University, and to Princeton. Then he went to France. There he accomplished what was one of the few really constructive results of the Great War. China, dragged into the mess by the Allies, had sent 200,000 workers to Europe, to dig trenches, to manufacture munitions, to do "coolie" work on the railways. But the European generals had difficulty in managing them. They spoke no European language, of course, and they could not read or write their own. Living in the midst of war, they did not know why they were there, or what was happening. They were pitifully homesick, but they could not write letters to their families, nor read letters they received.

Yen, commissoined to do something for them, experimented with the simplified teaching of Chinese. That was the beginning of the now famous "Thousand Character System," by which millions of Chinese peasants have become literate. The success of his experiment surprised him. The "lower classes" proved to be wonderfully adept at learning. To Yen it was a revelation. "Then and there," he says, "I resolved that upon my return to China I would devote my life to educating the millions of illiterate men and women, boys and girls, who had no opportunity for schooling." His purpose was to broaden with the years, and it is still growing in ultimate aim and reach.

Illiterates in China, Yen discovered, are not necessarily lazy or unintelligent. The late Marshal Chang Tso-lin, warlord of Manchuria, Feng Yu-hsiang, erstwhile "Christian General," Ma Chun-shan, hero of the Nonni River battle in Manchuria, and many other energetic rogues, were illiterate till late in life. Despite the long cultural tradition in China, only four or five percent of the people ever learned characters because, (1) the Imperial policy in practice prevented it, and (2) the difficulties of mastering the language were too great for the poor man to surmount.

Formerly all Chinese books were written, as most people know, in *Wen Li*, the Classical language. It had not been spoken for centuries, it corresponded to Greek or Latin in the English world, but the student had to master it before he could read. It was the work of a lifetime. Only since 1917, when the "New Tide" movement began, has *Pai Hua* ("pure talk"), the vernacular used by more than 80 per cent of all Chinese, supplanted Wen Li, so that men can learn to write and read Chinese as it is spoken. Hu Shih, Chen Tu-hsiu (a socialist now in jail at Nanking), and Lu Hsun (foremost short-story writer, also sought by Nanking authorities), were the young scholars who led the literary revolt. Gathering strength rapidly, it soon swept aside all objections of the reactionary Confucian scholars, and eventually, for the first time in history, made literacy possible for the millions.

It was *Pai Hua* that Dr. Yen taught the workers in France to read and write. It was *Pai Hua* that the Chinese National Association of the Mass Education Movement adopted as its vehicle for educating rural China. That Association, organized in 1923 at a national convention with Mme. Hsiung Hsi-ling, wife of the ex-premier and elder statesman as chairman, sought to bring together the various literacy movemnts then functioning. It elected Yen Yang-chu as General Director and active head of the entire work, a post he has held ever since. Today the "people's schools" in China, operating in 22 provinces, have graduated over 5,000,000 men

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and women in the *Ch'ien Tzu K'e*, the "Thousand Character Lessons," by which men become literate in four months of hour-a-day schooling.

But the Ting Hsien project is a much more extensive enterprise than the mere spreading of literacy, out of which it has grown. Poorly understood in certain quarters, it is perhaps necessary to state that it is not a "model colony," a "scholars' hobbyland," or a "bunch of radicals," as the timorous seem to fear. It is an experiment in education for the complete reconstruction of the hsien, 'life-unit" of China.

How to Make Literacy Useful

After several years of work, the staff of the mass education movement realized that literacy alone was not enough. People had to be taught what to do with literacy. They found that it was necessary to reorganize and rebuild in every department of life, to remake its very fabric. With the failure of attempts to superimpose half a dozen alien social and political systems on China from above, they concluded that the people could only be regenerated from the bottom, never from the top. China needed "an earthquake-like soul-shaking," to borrow a phrase from Nietzche. And the new growths must be something inherently indigenous, something rooted in China, but nourished by modern scientific knowledge. So at Ting Hsien men sought the bottom.

"The Experiment began in 1926," Yen related to me. "We started work in the village of Chai-ch'eng, then extended to a district including about 60 villages. Three years later, a crude technique perfected, we accepted a popular demand to spread our work to the entire hsien. Responses from the people in time proved the soundness of our methods, so that while we continued our basic research we also extended the results of our work over broader fields. In Ting Hsien now our organization embraces many new phases of life.

"First, we found that it was necessary to make a complete social survey. China has few statistics, none on which broad scientific judgments can be rendered. Nobody had ever made a social study of the hsien, and only one study had been made of a typical Chinese village. It had to be found out, for instance, how many families lived in the villages, in the hsien; how much people paid in legal and illegal taxes; how much was spent on education per family, and on medicine; what crops were grown; what incomes the farmers had; how much they paid money-lenders for farm loans; at what age girls married, and boys, and so forth."

None of those, and other vital statistics, could be found nicely tabulated anywhere. They had to be dug out by patient, and as anyone who has tried getting information from a Chinese peasant knows, by exasperating effort. Brilliant Li Ching-han (Franklin Lee), graduate of Columbia, directs this work. He told me of their early difficulties. Peasants at first thought they were government agents, trying to squeeze more taxes. Some thought them Japanse spies, gathering information for the enemy. "Too many people!" villagers replied when asked to help count the local population. Or, "Not a little," to questions about their losses through looting, through decreasing market prices. But gradually their suspicions were dispelled, their confidence won. Their full cooperation was secured, largely through contacts established in the people's mass education schools, at present directed by Li Jin-shu, Ph. D. Berlin University, and Wang Te-liang, another Columbia graduate.

(To be continued)

Negotiations for Sale of C. E. R. Break Down Completely

The negotiations which have been going on for the past three months in Tokyo between the Soviets and "Manchukuo" for the sale of the Chinese Eastern Railway have broken down completely, and there are no prospects for the resumption of the negotiations in any predictable future time. M. Baryschnikov, a director of the Soviet State Bank and financial adviser of the Soviet Government, who proceeded to Tokyo on September 3 to conduct negotiations on technical points, left the Japanese capital for home on December 5, travelling via Tsuruga. The negotiations were started in Tokyo on June 26, and since then six formal and five informal meetings had been held, but the parley was deadlocked over the question of the price of the railway, the Soviet delegates insisting on fixing the price at 200,000,000 gold roubles while the Manchukuo delegates proposed Yen 50,000,000 as the price. The experts then dealt with the question of the exchange rate of the rouble and the yen, and Manchukuo proposed the rate of 25 sen per gold rouble. The Soviet delegates, however, refused to propose their own exchange rate, and insisted on the solution of other incidental questions first. The Soviet Government then dispatched Mr. Baryschnikov to conduct negotiations on technical questions, but the parley did not make any progress. On September 21 and 22 Foreign Minister Hirota and Constantine Yurenev, Soviet Ambassador in Tokyo, conducted political negotiations, but subsequently on October 9 the Moscow papers published what purported to be the text of Japanese official notes concerning alleged Japanese plots to seize the Railway. Since then no progress had been made.

From now on, more than ever, it will be the policy (evident on every side) for the Japanese, working through "Manchukuo", to "jockey" the Russians out of what little control they have left over the railway. Both the Japanese and Russian news services are busy giving their versions of the almost daily "incidents." *Rengo* describes the actions of Manchukuo officials as the "continuation of their fight for realization of equal management," particularly as regards the appointment of station masters. The Japanese claim that in many cases the only qualifications of the Russians holding these jobs are that they are good Communists—so they calmly from day to day oust the Russians in various places and put in either Chinese or Japanese. These ousting activities bring forth protests from the Soviets—but nothing else. Thus we find a recent Soviet message saying that according to reports received at Harbin, the Manchurian representatives on the C.E.R. continue to disorganize the work of the Railway to such an extent as to threaten immediate collapse of all operations on the western line. Soviet Consul-General Slavutsky Dec. 9 lodged a strong formal protest against the removal and arrest of two Soviet citizens at the station Bukhodu, the assistant head of the railway section, Cherevko, and the bookkeeper Markevskih. M. Slavutsky, emphasized also that the replacement of Soviet citizens by Chinese subjects represents the continuation of the Manchukuo (Japanese) policy of seizure of the railway.

In the meantime there are frequent reports circulated by the Japanese of attacks made by Soviet guards along the Manchukuo border, these incidents usually having to do with rifle shots fired at persons either caught smuggling or suspected of being engaged in smuggling.

***

Preparations for the organization of the Greater Asia Young Men's League, as the result of decisions that were recently reached at the general meeting of representative young men from Japan and Manchuria, held in Changchun, are stated to be making fair progress.

French Vice Consul Says Manchukuo Police Are "Helpless"

M. Chambon, French Vice Consul at Harbin, in a press interview Dec. 5 said "Manchoukuo police authorities are powerless." This criticism was made in connection with the murder of Simeon Kaspe, young French pianist, by Russian kidnappers, after a long captivity, during which period, according to M. Chambon, the Manchukuo authorities disclosed their helplessness in the deal. The Manchoukuo officials, according to *Rengo*, regard these statements as a defamation of the police authority of an independent State and demand that the Government should take positive measures against the French vice-consul's remarks.

The Central Bank of Manchu has received authorization from the Manchukuo Government to enter into an agreement with the City Bank of New York for inaugurating exchange of transactions. The formal agreement is expected to be concluded shortly.

Japanese Communist Aids Russian Soviets

A Moscow telegram of Nov. 10 to the *Chicago Tribune* relates that in connection with the celebrations of the 16th anniversary of the October revolution, a threat to plunge Japan into civil war if it should attack the soviet union was made by M. Okano, member of the executive committee of the communist internationale, speaking at the funeral of Sen Katayama in Red square. Okano represented the Japanese communist party, formerly headed by Katayama, who died on Nov. 6. He was one of the orators in the rites, which were attended by Stalin, Molotov, Kalinin and other leaders of the soviet government. "We vow," said Okano, "if Japanese imperialism raises its bloody hand over the soviet union, to turn that war into a civil war, into a war for liberation of the working masses of Japan from the disgraceful yoke of Japanese capitalists and landlords, into a war for throwing down an absolute military monarchy."

William C. Bullitt the Ambassador of the United States to the U.S.S.R., arrived in Moscow Dec. 11. He stated in an interview that 200 U.S. consular officials would be sent to Russia.

M. Litvinov returned to Moscow Dec. 9 after his visit to the United States (where he negotiated the recognition treaty) and several capitals of Europe.

Soviets Watch Karachi-Haifa Railway Plans

Plans for the construction of a railway line through Persia connecting British India and Egypt, published recently in an Egyptian newspaper, have aroused the attention of the *Krasnaya Svesda*, the official organ of the Red Army, which devotes long articles to this subject, laying especial emphasis on the old Anglo-Russian struggle as to their respective spheres of influence in Western Asia, especially Persia.

Jewish Refugees Flood France and Palestine

The governing board of the League High Commissariat for Jewish and other refugees from Germany, held its closing session at Lausanne, Switzerland, December 8. The French delegate expressed the view that the flood of refugees to France was too great; he said it was now necessary to find homes for them in South and North America. Lord Cecil said Europe and Palestine were now glutted with refugees.

A Jewish Haven Offered in Siberia

The vice-president of the Soviet Union, M. Smidovitch announced last week that Russia offered a refuge for German Jews seeking new homes, and invited them to participate in building up an autonomous Jewish Republic under the name of Birobidjan, located in Eastern Siberia near the Manchurian border.

French Authorities Criticized for Handing Over Naturalized Korean

The procedure followed by the French Concession authorities in the case of Kim Shih, Korean by birth, but Chinese by naturalization, who was arrested in the French Concession by the French police on request of the local Japanese Consulate-General on November 22, (and handed over to the Japanese authorities) is criticized in a letter sent to M. Meyrier, French Consul General in Shanghai, Dec. 6. The point is made by the Chinese Bar Association that the French Concession violated the Sino-French court agreement governing the rendition of July 7, 1931, according to which no persons should be handed over to authorities outside the Concession without the case being first heard in the Second Special District Court.

Pacific Relations Group Urges Closer Study of Orient

A more intensive education of United States school children on matters relating to China and Japan is the goal of a survey recently undertaken by the American Council, Institute of Pacific Relations in New York. A recent bulletin issued by the Institute mentions that as America's entanglement in the affairs of the Pacific becomes closer day by day, the blind spot of American education in respect to Pacific countries becomes a matter of increasing importance.

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Oustanding Events of Another Year of Nationalist China

BY C. Y. W. MENG (孟長泳)

THE year 1933 is another eventful year in the annals of Chinese history. Externally, not a single inch of the 'lost territory" which was lost to Japan two years ago, is yet recovered; further, during the year under review another additional loss occurred of one entire province and part of another, and the advance of the enemy to Peiping, which was only checked by the signing of a "disgraceful" agreement, known as the "Tanku Agreement," whereby more of Chinese stratagetic territories were being "demilitarized," and whereby the Chinese made a promise not to give any more assistance to the Chinese "volunteers" who have been fighting against the Japanese in Manchuria. The Manchurian situation, instead of cementing the Chinese leaders together to present a united front against the common foe, during the most critical moment in Chinese history, has apparently only the effect of plunging the country into further political dissension and internecine warfare. Nanking has been constantly under fire for failure to adopt a definite Manchurian policy and to take more positive actions in face of the Japanese aggression. Internally, the country is facing what may be called "economic suicide" and "rural bankruptcy"—due to nation-wide depression and adversities in the industrial and commercial fields and extreme poverty of the Chinese farmers, who constitute 85% of the total population. The internal civil warfare staged by the militarists in different places, together with the extent of the communist uprisings which have swept the central part of China, make this young Republic more miserable and pitiful than ever before. It indeed pains our heart when we review some of the important events of this year.

League's Draft Resolution—Geneva's Last Action

When Japan, without provocations, invaded and occupied the Chinese Three North-Eastern Provinces (Manchuria), China appealed to the League of Nations for justice and action. The League did not hesitate to interfere and to appoint a Commission of Inquiry to come to China, and to adopt resolution after resolation. The last Resolution was adopted in December 14, 1932, when the Committee of 19 adopted the Resolution drafted by the Five Powers. Aside from re-affirming the Resolution adopted by the League Assembly on March 31, the Resolution proposed to form a "Conciliation Commission" to mediate the Sino-Japanese dispute based on the findings of the Lytton Report. The Resolution also promised to admit China and Japan, America and Russia, to the Mediation Commission.

Japan opposed the Resolution and demanded an amendment on the ground that the re-affirming of the Resolution of March 31 would call for the application of the 9-Power Treaty, to which Japan strongly objected. The application of Chapters 9 and 10 of the Lytton Report to settle the Sino-Japanese dispute would necessarily force the abolition of "Manchukuo—to which Japan could not agree either. To Japan, the formation of the Conciliation Commission could only aim at making a more technical study of the situation, rather than actually settling the situation.

China also voiced her opposition as well as her "disappointments" on the ground that the Resolution (1) did not expressly oppose Manchukuo and did not state that the Japanese action is a violation of the League's Covenant and other international agreements; (b) did not include the important parts of the Lytton Report; (c) did not provide a definite date for the publication of the Report on the Sino-Japanese dispute, as was demanded by the Chinese delegate; and lastly, the application of Chapter 10 of the Lytton Report for the settlement of the dispute was also opposed by the Chinese.

The above Resolution is the last one we heard of. Since then Geneva plays no important part in the Manchurian situation, and Geneva has turned its attention to the Disarmament problem in Europe rather than the Manchurian situation in the Far East.

Resumption of Sino-Russian Diplomatic Relations

Through the Yen-Litvinoff Agreement in Geneva, the Sino-Russian diplomatic relations were restored on December 12, 1932. While we are just mentioning the event to indicate that this may be an important event in years to come, we wish to recall the Russian opinions on the situation. Emphasizing that Japan need not be perturbed by the Sino-Russian resumption of diplomatic relations, the Russian semi-official report pointed out to the Japanese that Russia would still pursue a policy of "peace" with Japan, and would still conclude a "non-aggression pact" with Japan, if Japan could accept the Russian terms. As to China, the opinion of the official news agency in Moscow seemed to be that the communists have now concentrated their efforts in China for the overthrow of the Kuomintang; and that the date for sovietization of China is not far off. (See *Reuter* telegram from Moscow, dated December 16, 1932) Unlike the notes exchanged between America and Russia for the restoration of diplomatic relations, which expressly provided that the Russians should refrain from conducting any communist propaganda in America interfering with the internal politics of one another, the Sino-Russo-Agreement did not provide such a provision. Hence, some Chinese still believe that the Russians might continue on with their communistic activities.

Whether there is any truth in the statement, we could not decide at present. But what is certain is that the Chinese have not yet taken steps to make the restoration of diplomatic relations with Russia more than a usual procedure among the nations Up to now, one year has passed, yet neither the Sino-Russian commercial treaty, nor the much talked of non-aggression Pact has ever been signed, not to speak of other significant actions!

Japanese Attack on Jehol

The auspicious days of 1933 did not give the Chinese any joy, for on the eve of the New Year, reports were already current about the imminent attack on Shanhaikwan and Jehol by the Japanese. Eventually, the Japanese opened the offensive on January 1, and after three days of bloody fighting, Shanhaikwan was occupied by the invaders. There were two reasons for the Japanese to open the offensive: First: the first meeting of the Committee of 19 would be held on January 16; and by further invading the Northern part of China, Japan aimed at embarrassing the League of Nations, by creating a new situation in North China. Secondly, the 3rd Plenary Session of the C. E. C. (Central Executive Committee) of the Kuomintang was just over, and the Japanese alleged that one of the resolutions called for the recovery of Manchuria by giving full support to the Chinese "volunteers" who were fighting against the Japanese, and by taking more military preparations and actions in Jehol; and by intensifying the Chinese boycott movement. For these reasons, the Japanese thought that the occupation of Jehol was imperative.

The alarming news caused: General Chiang Kai-shek to hurry back to Nanking, Mr. Wang to break his silence in Geneva and to issue a manifesto strongly denouncing the Japanese actions before the world; and Hu Han-min in Hongkong to speak out urging more positive resistance against the Japanese actions. While a tense atmosphere was in existence in the North due to the Japanese actions, the warlords in Szechuen were busy in fighting against each other. Such is the terrible state of affairs in China!

With the loss of Shanhaikwan and Chieuminhow, the fall of Jehol was imminent. On January 21, the Japanese War Minister even openly declared that the attack on Jehol would be on three routes. On January 28, General Tang Yu-ling, the Governor of Jehol, also issued the usual telegram pledging himself to defend the territory "to the last." While the Nanking Foreign Office lodged protest after protest demanding the withdrawal of the Japanese troops, the only reply was the usual, but even more insulting, note claiming that the Japanese action was for self-defence.

On February 15, three ultimatums were delivered to China, one from Manchukuo to General Tong Yu-ling, one from General Muto to General Chang Hsueh-liang, and one from Tokyo to Nanking. All demanded the withdrawal of the Chinese troops from Jehol. Japan decided to withdraw from the League on February 15. The offensive on Jehol was opened on February 27 to occupy Chengteh, the capital city of Jehol, just in time for the celebration of the founding of Manchukuo.

General Feng Yu-hsiang, generally known the "Christian General," who had been in Kalgan at that time, was urged by General Chiang Kai-shek to come to Nanking to take up a post in the Government, but General Feng replied that if the National Government would truly put up resistance against Japan, he was perfectly willing to

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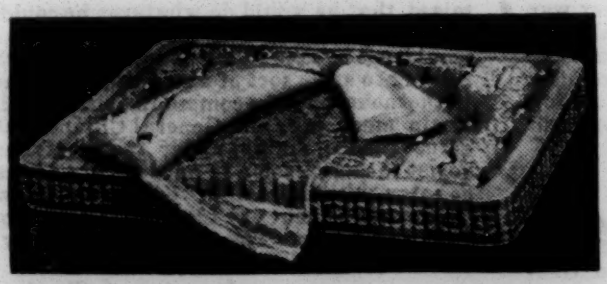

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come, presenting, at the same time, his famous 12 recommendations regarding the military preparations, which would call for the sending of ammunition to the front, establishment of military stations and troops, etc.

T. V. Soong, the then Acting President of the Executive Yuan, also flew to Peiping, where he discussed the Jehol situation with Marshal Chang. In the morning of February 17, Mr. Soong, Marshal Chang, General Chang Tso-hsiang, etc., motored to Jehol to meet General Tong Yu-ling. Another usual telegram was issued and addressed to the nation headed by Gederal Chang Hsueh-liang, and many others, reaffirming their "determination" to defend Jehol. At the same time, a telegram was sent to Geneva reporting the inhuman brutalities committed by the invaders, etc. $20,000,000 worth of bonds known as "national-salvation bonds" were issued, apparently with a view to financing the war in Jehol. It looked as if the northern generals were quite determined to fight this time! The last ultimatum from the Japanese military authorities was delivered on February 22, claiming that Jehol was within the jurisdiction of Manchukuo, and that to launch an expedition into Jehol was the "police duty" of state for the suppression of "bandits."

The selling of armaments to the Far East was in the meantime brought up for discussion in the House of Commons. Simon's idea was to ban the exportation of armaments to both China and Japan. To this America replied that inasmuch as Japan could manufacture ammunition herself, while China could not, the ban would affect Japan favorably, but China adversely. China also opposed this move, and termed such a move as a "pro-Japanese" move.

The Red Menace in Kiangsi

There are some special characteristics in Chinese politics which really puzzle most observers. While the tense atmosphere was in existence in Northern China, due to the Japanese military activities, the warlords in Szechuen Province were still fighting on bitterly against each other. While the Japanese were on the way to Peiping, the Chinese communists in Kiangsi were still making much trouble for the Government, thus preventing the Government from devoting its full attention to coping with the situation in the North. General Chiang, instead of proceeding to the North, had to go to Nanchang, for the capital city of Kiangsi was in danger of being captured by the communists.

On the other hand, we were informed that the communist leaders once did declare (we remember, on February 15,) that if the Government troops would cease to pursue them, they would cooperate with the Government to fight against the Japanese. So it is rather puzzling why the Government did not take the chance to stop the suppression campaign and to come to some sort of agreement with the communists, thus freeing the government from one of the difficulties, and enabling the Government to face the Japanese aggression alone? It is true that the sincerity of the communists might be doubted. But we believe if the Government had taken precautions and political steps, there would have been no danger of falling into the trick of the communists; at the same time the communist menace would have been removed. Our avowed policy during this critical moment is: To employ political means to settle differences with the communists, even if it necessitates the Government to yield to some of their demands in exchange for peace within; and to use force to deal with the foreign aggression. As no government in the world could deal with a war within and another war without at one time, the only alternative is to take all possible steps to stop the war within and to face the danger without. To employ force to deal with the communists with a view to suppressing them totally and then turning our attention to the foreign aggression is a blunder, and is Nanking's "mistaken move!"

Resignation of Marshal Chang Hsueh-liang

Like Manchuria, Jehol offered no resistance to the invaders who entered Chengteh, the capital city of Jehol, with 130 men only! When Jehol was lost, Marshal Chang tendered his resignation—which precipitated General Chiang to go North on March 6. In his telegram of resignation, Marshal Chang told how his father (Marshal Chang Tso-ling) sacrified his life for his desire to protect the Chinese sovereign rights in Manchuria; and that how when he (Marshal Chang) assumed his post in succession to his father, he continued the same policy of his father; and that how his "disregard" of the Japanese "threat" in hoisting the Kuomintang flag in Manchuria and in coming over to the Central Government showed his earnest desire to see the national unification of the country.

No one will deny that the hoisting of the Kuomintang flag in Manchuria under such circumstances was not due to Marshal Chang's bravery and loyalty to Nanking. Such action will be highly commended by historians. But no one could or would agree that Marshal Chang should be exonerated from blame for the loss of Manchuria without a fight. As most observers know, the Japanese invasion of Manchuria was prepared many months before. Many big guns were transported into Manchuria from Darien in trunks under the name of "motor cars." We wonder why Marshal Chang's intelligence service did not discover this? Had this been discovered and reported to Nanking, the Japanese action might have been nipped in the bud. So we want to impeach Marshal Chang for his inattention to the dangerous situation, negligence of duty, and corruption in his administration.

Marshal Chang fled to Shanghai on March 12 and sailed to Europe as though he were a retired old age statesman. When General Chiang arrived at Paotingfu, he called a meeting which was attended by many leaders, including Dr. Lo Wen-kan, T. V. Soong, etc.

Battles of Kupeikow and Hsifengkow

Events following the loss of Jehol were characterized by the most bloody fighting ever witnessed since the outbreak of the Sino-Japanese crisis in 1931, the most famous of which are the "Battle of Kupeikow" and the "Battle of Hsifengkow" where the Chinese generals put up the stiffest resistance against the invaders and where the invaders suffered heavy casualties. The Japanese military authorities today have erected a monument in Kupeikow in memory, and in admiration, of the Chinese heroes who fought well and who laid down their lives to check the advance of the invaders.

It is not necessary for us to tell something about these battles, for they are still very fresh in our minds. What we want to say is that these Battles of Kupeikow and Hsifengkow would have been a "Battle of Verdun" to Japan had the Chinese defences been put under one command, and had the Chinese defence been more concerted and organized, rather than regional and unsystematic. The situation at that time was that when the Japanese were attacking the Chinese forces in one place, the Chinese defending forces in other places never launched simultaneous attacks on the Japanese—thus enabling the Japanese to concentrate troops in one place to attack the Chinese position. After defeating the Chinese forces there, the Japanese opened another offensive on the Chinese forces in another place. The Japanese defeated and killed the Chinese defences "one by one!"

Another important meeting was held in Nanking attended by General Chiang, President Wang, etc. Though the Manchurian situation in the North was discussed, the attention was nevertheless devoted to the holding of the Extraodinary Assembly of the Delegates on July 1 to decide whether the National Congress should be held earlier than scheduled, with a view to ending the period of political tutelage and entering at once the period of constitutionalism. Doubtless such is the right step towards political reforms, but unfortunately it was taken somewhat too late.

Another gesture was made by General Chiang to urge General Feng Yu-hsiang to come down to Nanking to discuss national affairs, but the reply was in five points. General Chiang was urged by General Feng to lead the best-trained 100,000 men to fight for the recovery of lost territory; to supply ammunition, food, etc. to the troops at the "front"; to give pensions to those who were wounded in the battles; and to take steps to effect reforms in the political administration. Meanwhile General Feng promised that he would do whatever he could to help General Chiang. "Otherwise", concluded General Feng, "Nanking would not be able to set at rest the rumors that Nanking is coming to some sort of agreement with the Japanese"! But in the meantime, the communist situation in Kiangsi became again menacing, and General Chiang had to go there to direct the campaign, under the doctrine that in order to resist the aggression from without he must first pacify the country within. A few weeks after, we witnessed the fall of "passes", such as Linkow, Hsifengkow, etc., into the Japanese hands. The invaders were only about less than 100 miles from Peiping!

Invasion of Charhar

On April 10, the Japanese suddenly ceased to attack the Chinese position and withdrew themselves from the Liaotung districts to the south of Great Wall, on the ground that Japan had pushed back the Chinese sufficiently far and had accomplished her purpose. But the withdrawal is generally regarded as strategic. First, the Japanese forces along the Liaotung districts were more or less exhausted after bloody fighting with the Chinese and they had to withdraw to be reorganized. Secondly the Japanese attack on Peiping was intended to be made through San-ho and Mi-yuan, not through the Liaotung Districts. So since then, the most bloody fightings took place in

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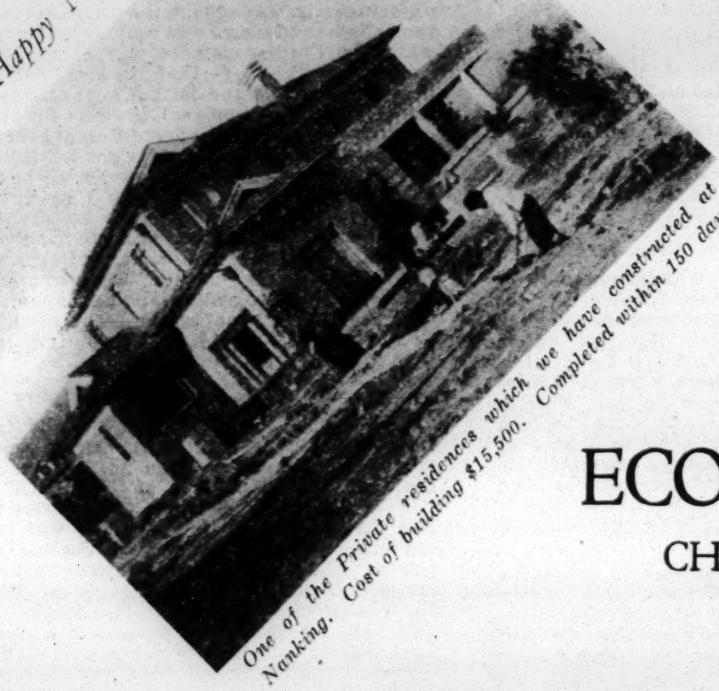

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MANAGER & PROPRIETOR

Kupeikow and Nantienmin. The fall of Dolonor, capital City of Charhar Province, took place on April 29.

While all these were taken place in the north, Russo-Japanese feeling was made bitter, due to detention of rolling stocks of the C.E.R. and demands for the return of rolling stocks by the Japanese puppet, Manchukuo. Moscow protested, pointing out that the Japanese did not keep their word, that the Japanese activities in Manchuria would not interfere nor infringe on Russian interests in Manchuria. Apparently with a view to appeasing the Japanese, due to Russian "unpreparedness", Russia agreed to open negotiations with Manchukuo in Tokyo over the disposal of the C.E.R. Then for a time, negotiations had been going on quite smoothly. But the negotiations caused a protest from the Chinese, who were ignorant of the Russian diplomacy.

China's Moral Victory

The Report of Non-Recognition of Manchukuo by the Members of the League was decided and made public on April 10, whereby the League Members promised not to recognize the status and control of the Manchukuo; not to sign any treaty with Manchukuo, not to accept the coinage from Manchukuo, etc. Thus, so far as the Sino-Japanese Battle in Geneva is concerned, China won a "moral victory"!

Japan Marching Toward Peiping—Tanku Agreement

When the Japanese troops were withdrawn south of the Great Wall, the Chinese defense forces under the command of General Chun Chen re-entered the Liaotung Districts, such as Chin-an and Lu-lan. To this, Japan replied by another offensive which resulted in further loss of Liaotung Districts. In the meantime, Miyuan, 75 miles from Peiping, Tungchow, 20 miles from Peiping, were in imminent danger of falling into the hands of the invaders. General Huang Fu was immediately appointed head of the Peiping Political Council. Through his efforts, an armistice was declared on May 31. It is generally believed that before General Huang went to Peiping, he had already come to some sort of understanding with the Japanese minister to China in Shanghai.

The southern leaders were the first ones to oppose the truce. Telegrams signed by Tang Shao-yi, Cen Chi-tang, etc. were despatched to the nation, saying that the masses of the people would never recognize the agreement. General Chiang Kwang-nai, General Tsai Ting-kan, General Feng Yu-hsiang, also sent out telegrams to the same effect.

But, according to General Wu Teh-chen, Mayor of Shanghai, the armistice did not mean the giving up of resistance. According to President Wang's explanation, the truce only dealt with the military problem, no political terms being attached, and that the signing of the truce was not a "submission", etc.

Whether there are other secret understandings or political terms attached to the Tanku Agreement, no one could say definitely at present. But it is generally believed that a promise by Nanking not to give any more help to the Chinese "volunteers" in Manchuria was one of the understandings between the two parties. For, shortly before the signing of the Agreement, the Peiping Branch Military Council suddenly issued order for the re-organization of the "Chinese Volunteers corps", "national-salvation army" etc. in Hopei Province. Some of them were ordered to be dissolved and their headquarters closed. All the volunteer corps from Manchuria were sent to the rear to wait for re-organization and recruiting. All unofficial military headquarters (that is, those organized by the people) were ordered to be suppressed. We witnessed the re-organization of Vulunteer Corps under the command of of Generals Feng Chi-hai, Li Chung Yi, Chang Kwei Ling, etc., and the abolition of several others in Charhar and Hopei.

To us the signing of the Tanku Agreement under such circumstances is not to be blamed; for Nanking was put in the dilemma of facing the complete destruction and occupation of Peiping and Tientsin, and overthrow of the Administration—or signing an agreement which might check the advance of the invaders. What is wrong with Nanking is this:

With the loss of the three North-Eastern Provinces (Manchuria), Nanking should realize that the Japanese invasion of Jehol was only a matter of time, and Nanking should have started preparations to meet the eventualities. Manchuria was lost to Japan because the Chinese were not ready for the eventuality; the same blunder should not be repeated with Jehol. T. V. Soong and Marshal Chang should have taken a trip to Jehol long before the opening of the offensive by the Japanese. These two dignitaries should have convinced General Tong Yu-ling that as Gen. Tong's troops were not sufficient to defend Jehol, some Nanking divisions would be sent to Jehol. That is to say, steps should be taken to protect and save Jehol before Jehol was in danger; for protection of Jehol meant the protection of Peiping and Tientsin; and the loss of Jehol meant the loss of Peiping and Tientsin. When Jehol was not protected, it was generally understood that the Nanking authorities intended to give up Peiping and Tientsin, and were ready to sign any "disgraceful" agreement to save the present regime in Nanking from being overthrown by the reactionaries.

Further, when the fighting was started along the passes, Nanking should have quickly organized the defence in the north with a view to holding up the Japanese advance. But unfortunately, throughout the whole warfare in the North, the Japanese offensive was well organized and systematic, while the Chinese defence was entirely "unorganized", "unconcerted", and further, the great handicap of the Chinese defence was the lack of advanced preparations, and the lack of "one command" to direct the operation. These defensive forces were under different generals, who, due to past personal differences, were not willing to submit themselves to the control and direction of the other. Nanking at last appointed General Ho Ying-ching to proceed to Peiping, who could hardly handle the situation. We believe the appointment of General Ho to the Peiping post, and General Chiang to head Communist Suppression Campaign in Kiangsi—not the "reverse"—was another of Nanking's blunders! Had General Chiang been appointed to the post to direct the situation in cooperation with Marshal Chang and General Feng, the situation might have been quite different!

Japan's New China Policy

Since the Tanku Agreement, the task before the Chinese was the rehabilitation work of the war-devastated areas and the retrocession of the terrritories of the Liaotung Districts, south of the Great Wall, the negotiations of which were still going on between the two parties. But the task before the Japanese was to open a "new era" in Japanese diplomacy in dealing with the world powers and China; for Japan realized that after her withdrawal from the League of Nations, on May 23, Japan was "isolated." She realized equally well that at present most powers are engaged in the fight against world-wide depression and for economic recovery, and might not have any time to pay attention to the Far Eastern situation. But when the economic crisis is over, Japan believes that the powers are sure to take more effective steps, political or economic, direct or indirect, to oppose the Japanese Manchurian policy in China. So Japan thinks that to do away with the isolation and to re-embark on a policy of "cooperation" with American and European powers, or generally known as "international cooperation," is imperative.

As to China, Japan pursues the usual policy of exerting the "friendship drive" after the military conquest, and begins to talk very much about "joint-hands" between China and Japan. But in order to do so, Japan thinks that it is better for Japan to find out the views of the Chinese leaders, central and local, and to approach them individually with a view to convincing them of the advisability of forming some sort of Sino-Japanese politico-economic understanding. So, since then, Japan dispatched hordes of "embassies" to China to visit the Chinese leaders from the extreme north down to the extreme south, doing whatever they could to strive to cultivate friendship and understanding—in other words, to enter into "direct negotiations" between the two parties.

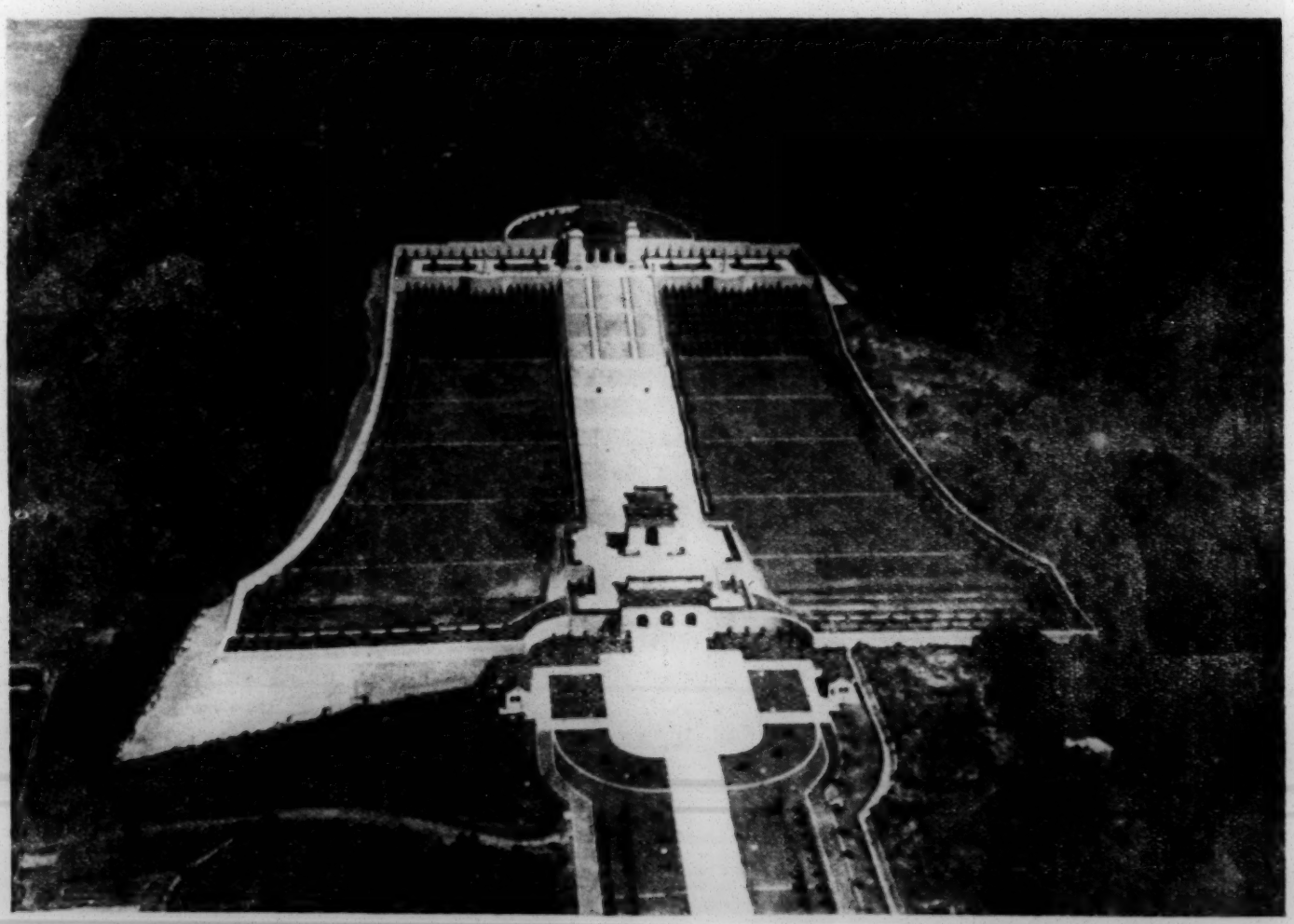
Japan indeed succeeded partially in carrying out her new policy in China; for once, reports were current that Nanking agreed to open negotiations with the Japanese over three issues, namely the through railway traffic between Peiping and Mukden, restoration of postal services and establishmeut of customs stations along the passes, etc. These negotiations were stopped because of Chinese public resentment. Whether there will be any new development in the Manchurian situation, all depends on (1) how the Japan's new China policy works, and (2) how the Chinese public opinion will react. So as far the policy of the Chinese Government is concerned, the Japanese may meet no difficulty.

The First Anti-Nanking War—Charhar Rebellion

Just on the eve of the signing of the Tanku Agreement, General Feng Yu-hsiang suddenly issued the telegram announcing his assumption of post as the commander-in-chief of the People's Allied Forces for the Opposition

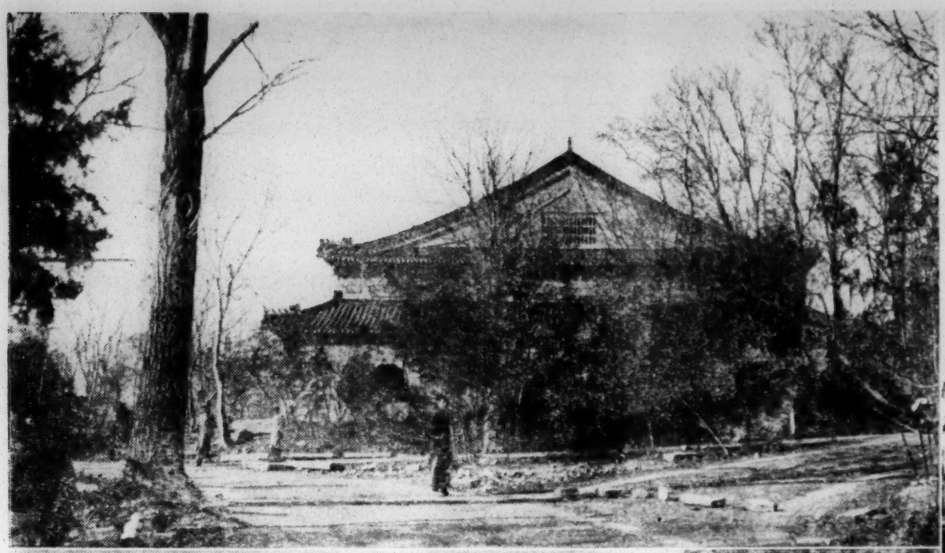
SCENES OF DESTRUCTION AND PEACE

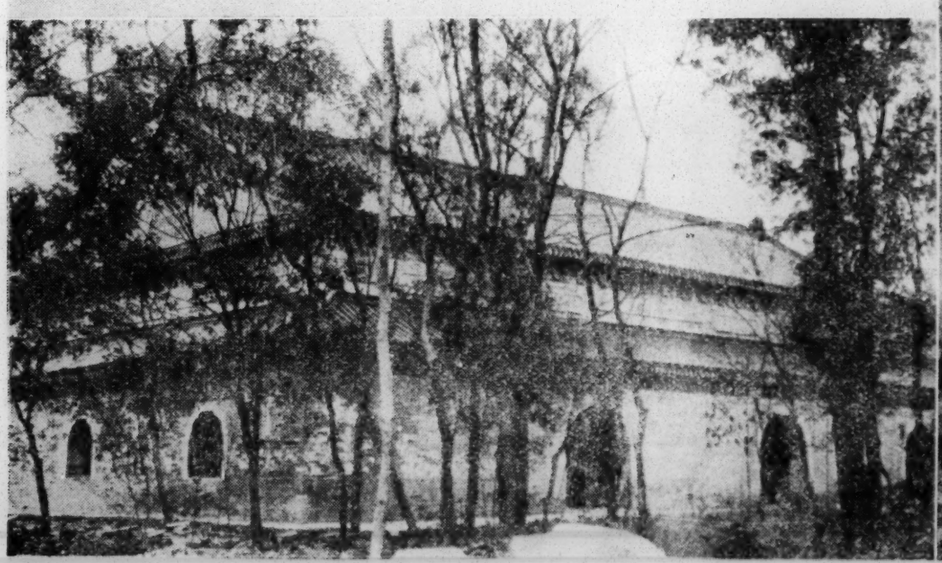
Why China is determined to develop a military aviation department as well as other elements of national defence. This picture shows the destruction wrought by Japanese air-bombers at the Hungjao Civilian Airdrome during the Sino-Japanese hostilities at Shanghai early in 1932. Sixteen Japanese bombs were dropped here completely destroying the airdrome.



A close-up air-view of the Sun Yat-sen Mausoleum located on the outskirts of the new National Capital at Nanking. The actual tomb of the late founder of the Kuomintang and father of the Chinese Nationalist Movement is located at the top of the picture within the circular enclosure. The entire outline of the plan as seen from the air resembles a gigantic bell. The picture was taken by Merle LaVoy from one of the China National Aviation Corporation planes.

NATIONAL GOVERNMENT COMPLETES MEMORIAL CEMETERY AND

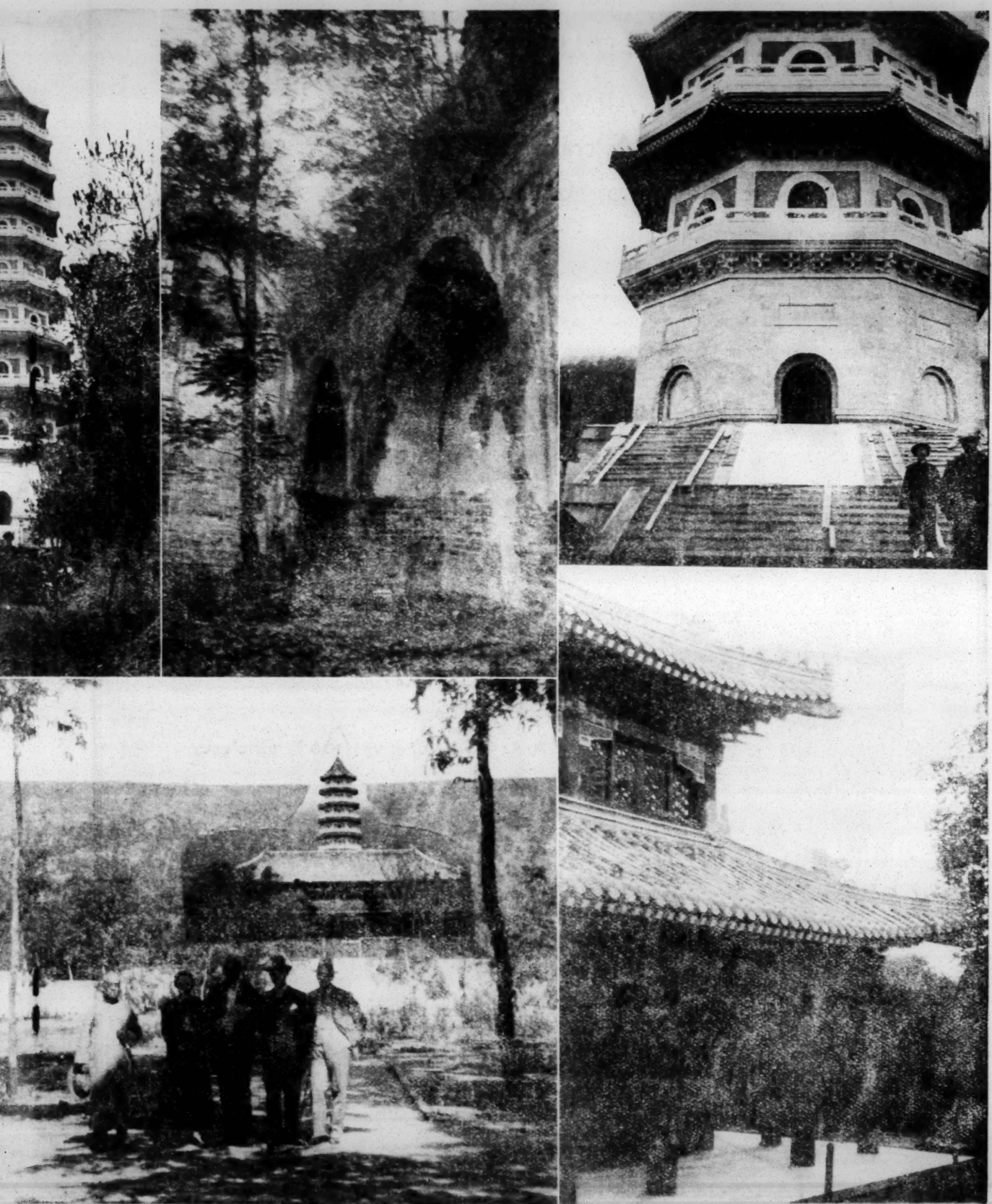




The National Government at Nanking is now completing on the outskirts of the Capital in the vicinity of the Sun Yat-sen Memorial Park, an elaborate memorial to martyrs of revolutionary wars since 1911. The construction includes a 9-story Pagoda, Memorial Hall, Cemetery and a Beamless Hall, the last mentioned being a reconstruction of one of the famous ancient structures of the country. The plan was worked out and executed by Henry K. Murphy, American architect connected with the Realty Investment Company of Shanghai, who was commissioned to undertake the work by Gen. Chiang Kai-shek about two years ago.

The various pictures on these pages are different views of the completed structures, including the Pagoda, Memorial and Beamless Halls and Cemetery. The picture in the upper left corner shows the end of the famous Beamless Hall which has been reconstructed. Just under it is the Memorial Hall which stands at the South Gate.

AND PAGODA AT NANKING FOR MARTYRS OF THE REVOLUTION



In the center at the top is the famous 9-story Pagoda, regarded as the most beautiful structure of the kind in the nation. Next to it on the right is a section of the ancient wall of the Beamless Hall before reconstruction, while in the upper right corner is a close-up of the base of the Pagoda. In the lower right corner is a section of the Memorial Hall while in the center at the bottom is a section of the Memorial Cemetery with the Memorial Hall and Pagoda in the background. In the foreground are shown (left to right) Munsey Lew of the Construction Commission, Mrs. James McHugh, wife of Lieutenant McHugh, of the U.S. Marine Corps and daughter of Dr. Jacob Gould Schurman. Standing next to Mrs. McHugh is Mr. Murphy the architect and next him, Dr. Schurman, former American Minister to China and Ambassador to Germany. Lieut. McHugh is standing on the right.

The building in the lower left corner is the restored Beamless Hall as it appears today. A description of the entire enterprise appears elsewhere in this issue.

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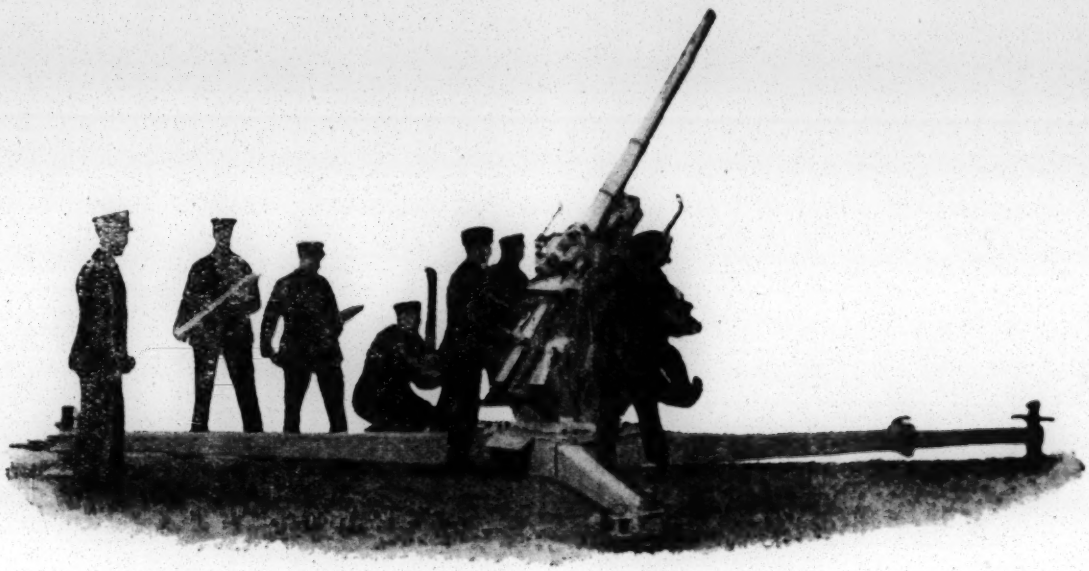

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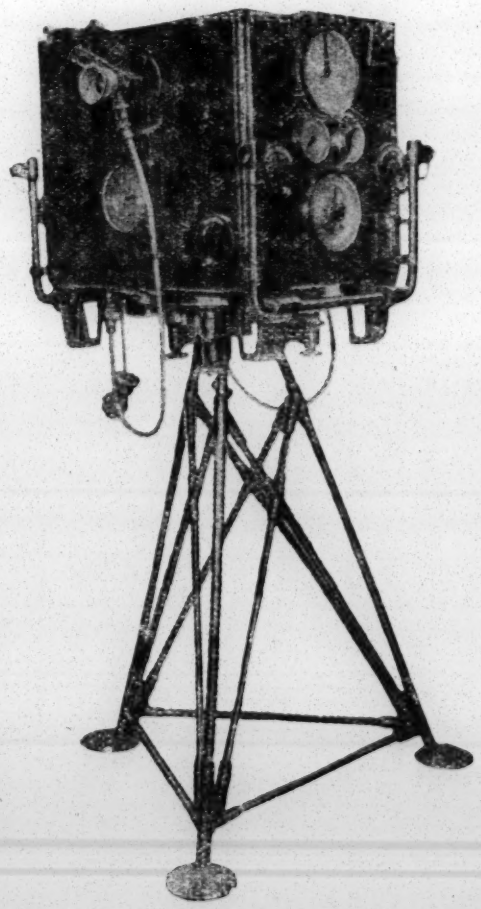

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This airplane used extensively by the U. S. Army Air Corps is capable of speeds well over 200 miles per hour carrying 2400 pounds of bombs and a crew of five.

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SHANGHAI

against the Japanese. On July 12, General Feng, in his telegram to General Chiang and President Wang announced the recapture of Dolonor from Manchukuo, after "5 days and nights of bloody fights." General Feng explained that he was excited by his "hot blood" and, being urged by the people, he at last rose up to defend Charhar and to recover the lost territory, and added that if General Chiang and President Wang would have the sufferings of the people in Manchuria at heart, would nullify the Tanku Agreement, and would mobilize troops for the recovery of four provinces, General Feng would follow; otherwise, General Feng would "lead the 100,000 starved soldiers to fight for the recovery of the four provinces himself"!

Mediations and embassies, etc, were sent to see General Feng with a view to bringing preasure to bear upon General Feng to abolish the new post, but without effect. When Gen. Feng rose up by assuming his new post, it was generally supposed that General Soong Teh-yuan of Hsifengkow fame, and General Sun Ting-yin of Chifeng fame—all his subordinates—would join with him. But by declaration and telegram, these two generals made it clear that they did not desire to see another civil war. General Tong Ping-huan of the Nanking army was ordered to lead his division to Charhar under the sound doctrine of "suppressing the Reds," and "defending the border." But Nanking's order brought out a sharp disapproval from General Chen Min-shu, and General Li Chi-sing—the present sponsors of the Fukien regime—who in a telegram to President Wang of the Executive Yuan, President Sun Fo of the Legislative Yuan, President Chu of the Judicial Yuan, and President Yu of the Censor Yuan, pointed out that General Feng's actions were only to defend the national territories and that the Central Government should not send any troops to Charhar to start another war "among our brothers within the wall" (meaning another civil war). The South-West Political Council also sent an urgent telegram to Nanking declaring that if Nanking decided to use force to settle the Charhar situation, the South-West would "lead the people in the nation to stand for righteousness." The C. E. C. members in Shanghai also sent telegrams to President Wang, in the form of interpellation. President Wang in his reply said that as Dolonor was recaptured, General Feng should hand over the military powers to the Central government, otherwise there was no way to prove to the people that General Feng had no other "extra motive," etc. But the blow-down by General Feng's soldiers under the command of General Sun Liang-chen of 104 Railway Bridge in Singchuantze near Shuanhwa, along the Peiping-Suiyuan Railway,—presumbly to stop the advance of the Nanking troops to Charhar—definitely ended any possible peaceful solution of the Charhar-Nanking War. It has been the usual practice in the present-day Chinese politics to charge any rebellion with "communist activities." So General Feng was reported to have received support from Moscow. But this charge brought out a prompt denial from the Russian Minister to China.

General Chiang submitted four proposals to General Feng, and through further mediations, General Feng agreed to hand over the military powers to General Soong Teh-yuan, who at once assumed his post as chairman of the Charhar provincial government. General Feng was further induced to leave Charhar and to come down to live in the mountains in Shantung. During his departure he issued two telegrams which have never been published. In his telegram dated August 31, he explained that what he did in Charhar was in conformity with the policy of "prolonged resistance" of the Nanking Government; and that he never had any idea of fighting for his own position; for he had before urged General Soong to come to take up his post; and that it was entirely not true that he had connections with the Reds. He expressed his surprise that under a democracy, a general was punished, not because of his defeat, but because of his "victory" in recapturing a lost territory! He scored the Central Government for using force on Charhar and in paying no attention to the wounded soldiers. He concluded that that he agreed to retire because he did not like to see the "mouth of cannons facing within" (meaning a civil war). In his second telegram, dated September 5, he asked the nation to decide whether he was wrong or right in his action in Charhar.

No sooner had General Feng left Charhar than Dolonor was re-captured by Manchukuo. When requested by General Ho Ying-ching to effect the withdrawal of Japanese troops, the Japanese military authorities answered that the stationing of Manchukuo troops in Dolonor was necessary in view of rampancy of the bandits.

Nanking was then quite busy in inventing some "titles"

to confer on General Feng, such as Chairman of the National Conservancy Committee, Tupan (Commissioner) of Forestry and Reclamation, and Inspector of the Army, etc. But General Feng has never accepted any of them.

While no one will doubt the patriotic feeling of General Feng in putting up a defence when the Japanese invasion af Charhar was definitely known, one could not but express his regret in not seeing General Feng coming out, when he was requested by General Chiang and General Chang, at the time when Jehol was invaded, to organize the defence for North China. He should have come out before that time. As most of the northern generals were his subordinates, General Feng could easily have organized a more effective defence for the North. That he came out when Jehol was already lost was therefore considered too late to save any situation.

The retirement of General Feng did not mean at once the peaceful settlement of the Charhar situation; for General Fang Chin-wu and General Chi Feng-chang were not willing to leave Charhar, and the former assumed the post as the commander-in-chief of the "Eastern Asiatic Allied Army." formed by combination with Generals Shieh Yu-sen, and Liu Kwei-tang's forces. Under an "anti-Chiang" banner, the army marched to Peiping. At one time, Japan did not interfere when the rebel troops entered the demilitarised zones. But apparently, due to pressure brought by the Peiping Military Council, Japan finally interfered and brought about a complete collapse of the Fang-Chi Anti-Nanking Drive, and both of them were dismissed from the Kuomintang, and were ordered to be arrested.

This was the first Anti-Nanking War in 1933, which ended in failure. But the Central Government should learn a good lesson. Whenever the Central Government made, or intended to make, a concession to Japan, or yielded or intended to yield, to the Japanese demands, the public resentment is at once aroused, and the situation offers a "good chance" to the discontented militarists and officials, as well as the members of the Kuomintang who are opposed to the Nanking administration to start new agitation against the Government. The Charhar Rebellion was started right after the signing of Tanku Agreement. The present Fukien Rebellion is started right after the reported Nanking's willingness to open negotiations with the Japanese over three issues. More rebellions are to come if Nanking does not take this lesson in mind.

***

Throughout the whole year, war among the warlords in Szechuen, and warlords in Sinkiang, has been practically continuous, while the war in Kweichow, Yunnan, and between Tibet and Sikong, is also endless. As to the suppression campaign in Kiangsi under the direction of General Chiang Kai-shek, there is not much improvement to speak of, for the sole reason that there is no co-operation among the government generals. When the communists are defeated in one place, they are being allowed to escape to other places and to make trouble there. There is no concerted action to envelop them and to inflict a decisive blow to the Reds. To say that the Red menace will be removed in "three months" or so, is only propaganda for home consumption.

The year 1933 is the third year since the Japanese invasion and occupation of Manchuria and Jehol. There is no improvement in the political situation in China. Nanking is still adopting a policy of "drifting" as before: Today they talk about "prolonged resistance," etc. Tomorrow, they sign an "armistice agreement" with the Japanese, demilitarizing one strategic place after another. In the morning, they assure us there "no direct negotiation" with the invaders. In the evening, they instruct General Huang Fu to go ahead to negotiate with the invaders on railway communications, the postal service etc., between Peiping and Mukden. Nanking policy is changeable in accordance with the situation.

The Manchurian situation, instead of proving a "blessing in disguise" in uniting the Chinese leaders so as to present a united front against the common foe, has no effect in lessening the civil wars in the country; on the contrary, it has the very effect of plunging the country into further invernecine warfare, due to political differences—a situation which is quite welcome to the Japanese.

As to the constructive works during the year, aside from the building of one or two highways connecting Kiangsu and Chekiang, there has been no other constructive work to speak of.

However, let by-gones be by-gones. Let us hope that the year 1934 will open a new era in Chinese history!

Nanking, December 9, 1933.

Anti-Aircraft Defence---Some Points for China to Note

China is to-day making a determined effort to train and equip a modern airforce. Since the European war, much time and money have been spent in perfecting apparatus for countering aircraft attacks; Anti-Aircraft Guns have been produced of all calibres up to 105 mm, the most favored weapon being the 75 mm. High Angle Quick Firing Semi-Automatic Mobile Anti-Aircraft Gun which is capable of firing a high explosive shell to a vertical height of 30,000 ft.

Whilst great improvements have been made in anti-aircraft guns and ammunition, these would not have been of much avail if it were not for the fact that an instrument termed the "Predictor" has been invented which in conjunction with a special Height Rangefinder accurately determines the position of the aeroplane, and and communicates its findings to the guns electrically. The Predictor makes alllowance for speed of target, height and windage and at the same time determines the fuze setting of the shell so that it will explode at the predetermined point. The 75 Mm. anti-aircraft guns are capable of firing 25 rounds per minute each and are generally arranged in batteries of four. A battery can therefore fire 100 High Explosive Shells into the air per minute. The shells are made of special steel filled with T.N.T. which explode and shatter at the predetermined point with a velocity of 2,000 ft. per second.

Under the terrific rain of steel which can be hurled into the air with modern guns directed by the predictor and height rangefinder, invading aircraft stand a very poor chance of reaching their destination in the future, unless they fly at extreme heights—which is possible today only with a single seater fighter. Bombing machines carrying heavy loads are restricted to a maximum height of approximately 24,000 ft. and in fact heavy bombers cannot reach this height.

One of the most notable of these instruments which have been produced is that manufactured by Messrs. Vikers-Armstrong, Ltd. working in conjunction with the Barr & Stroud Height Rangefinder; this instrument has been standardized by many countries and in 1931 a demonstration was made at Middlekirke, Belgium, before the military representatives of all countries when an efficiency of 100% with 75 mm. Anti-Aircraft Guns was attained against sleeve targets towed by aeroplanes at an altitude of 3000 metres and a distance of 4000 metres.

For night work, the Sound Locators working in conjunction with powerful Searchlight Equipments have been developed. The Sound Locators are able to detect the approach of aeroplanes at night and with a comparator system are able to direct the Searchlight beams upon the approaching aircraft. Corrections are automatically made by the comparator for sound lag, wind velocity and the distance between the Sound Locator and the light. The Sound Locators have a range of approximately 10 miles. When the attacking planes have been located and held in the Searchlight beams, the height rangefinder and predictor are then able to transmit electrically to the gun and fuze setters the correct data for gun laying and fuze setting.

Anti-Aircraft defence measures are equally of as great importance as the formation of an Airforce, if not more so, as aircraft cannot be available for the repulse of enemy air raids at all points. Anti-aircraft guns can be made available for the defence of all important cities and zones where protection is desired.

C. E. & M. Co. Directors Too Optimistic When Paying Interim Dividend

The annual general meeting of the shareholders of the Chinese Engineering and Mining Co., Ltd., was held in London on December 12, 1933. The company is a part of the Kailan Mining Administration and operates large collieries near Chinwangtao. The net result of the year's transaction shows a balance to the credit of profit and loss account of £119,836. the principal item of which was £63.924, which was the C. E. & M's proportion of profits from the K.M.A. Mainly owing to the fact that the directors were too optimistic on May 5 last when they declared an interim dividend totalling £49,000, the current year actually ended with a deficit of £18,625. Another large item which had to be deducted from the profit was income tax of £49,188. In order to meet the deficit the directors transferred £10,000 from reserve.

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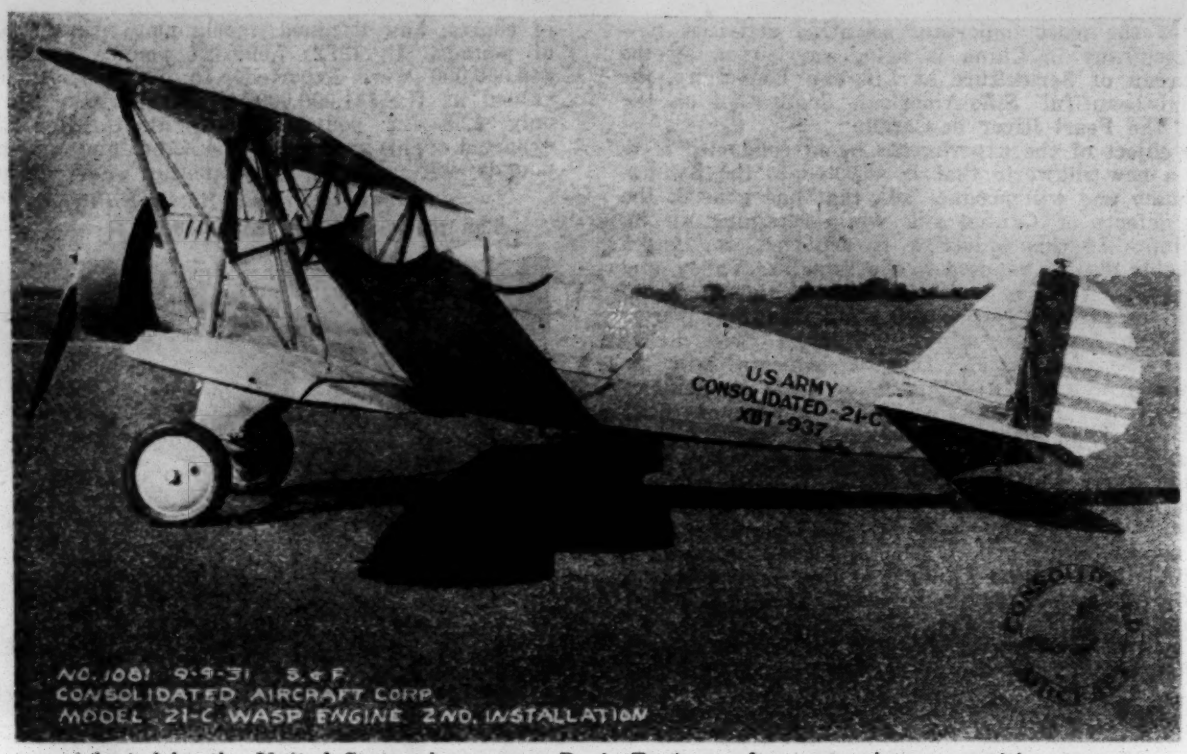

Adopted by the United States Army as a Basic Trainer after extensive competitive tests.

CONSOLIDATED AIRCRAFT CORPORATION
SHANGAAI

Government by Law in China

To the Editor, *The China Weekly Review*:—

Despite our high-sounding talk of government by law for the past twenty years, this principle has not yet been realized. Not only the people in general do not pay much attention to it, but even our high officials and educated people have not shown much respect for it.

The Chinese people have a bad traditional habit, that is, the higher one's position, the more is one privileged to disregard the law, thereby demonstrating to the public the greatness of his influence.

While we are sympathetic with the demand for abrogation of extraterritoriality, however we can not help exposing acts of violation of law to the public as a means of warning the offenders.

Yi Pei-chi, former Director of the Palace Museum, has been accused by Mrs. Chang Chi, of the theft of treasures from the Peiping museum. Mrs. Chang has brought a legal action against him in the court and demanded his appearance in Court to answer the charges. As Chinese officials consider it a disgrace to appear in Court and be tried, he has evaded the warrants of the Court to appear and thus far, as the court summons cannot reach him, the case is still pending.

However, in one way, Mr. Yi greatly surprised the public. While he has evaded the summons of the Court to appear, however he has submitted a petition to the Central Supervisory Committee and the Government, accusing Mrs. Chang Chi and Cheng Lieh (Chief Procurator of the Supreme Court) of false charges against him and demanding the dismissal of Cheng Lieh from his post. The reason is that because of the prosecution instituted by Cheng Lieh against him, he has been dismissed from his office as Director of the Palace Museum. Mr. Yih gave much publicity to his petition to the Government and caused it published in all Chinese newspapers. He further issued pamphlets in defense of himself and circulated them to various Government organs and newspapers and various lawyers. Meanwhile, Cheng Lieh at a weekly memorial service of the Supreme Court, made a detailed report on the prosecution of Mr. Yih and gave reasons for the proceeding.

Since the case has become publicly-known, many people have approved of the conduct of Procurator Cheng Lieh in initiating prosecution against Mr. Yih. If Mr. Yih really believes that he is innocent, he should appear in Court and face trial. But he should not petition the Government, demanding the dismissal of Cheng Lieh from his post because of the latter's prosecution against him.

Mr. Yih's disregard of the Court summons constitutes a lack of confidence in the Chinese Court, that is, in Chinese judicial administration and such an act should not be tolerated.

W. J.

Silver Remonetization Would Hurt China—Nanking Economists Say

Ardron B. Lewis and Chang Lu-luan of the Department of Agricultural Economics, College of Agriculture and Forestry, University of Nanking, have written a thesis on "Silver and the Chinese Price Level." They express the opinion that in order to avoid an increasingly severe business depression, China could stabilize the price level by adopting a commodity dollar based on a variable amount of silver.

Messrs Lewis and Chang say China has cause to congratulate herself on the delay in plans for the remonetization of silver abroad, as a severe business depression in China and a further reduction of Chinese imports of foreign goods would result from the carrying out of the United States and other American nations of remonetization plans.

Siamese Revolt Quelled---China and Japan Send Congratulations

Reports from Bangkok state that the rebellion has been quelled and that the King has returned to the capital. On behalf of the Japanese Government, Mr. Hirota, the Foreign Minister Dec. 8 cabled a congratulatory message to the Siamese Government on the establishment of a sound Government under constitutional monarchy following a revolt in Siam some time ago.

A message of felicitation was sent December 8 by President Wang Ching-wei, who is concurrently Acting Minister of Foreign Affairs, to the Government of Siam in connection with the commemoration of Siamese Constitution Day.

Silk Experiments at Lingnan University in Canton

BY WILBUR BURTON

ONE of the most important scientific activities now under way in China is being carried on by the Bureau of Sericulture at Lingnan University, the large and beautiful Sino-American institution on the banks of the Pearl River in Canton.

The object of the experiments being conducted is to produce a new silkworm that is adapted to the Kwangtung climate and will produce silk that has none of the existing defects of Canton silk while retaining all its good points. If this objective is achieved, the worm will probably also be adapted to the Yangtsze Valley, and in any event either or both the Canton and Shanghai areas will be capable of producing silk that is superior to the finest Japanese output. Although there is no immediate certainity that the experiments will be successful, enough progress has been made to convince Professor Ernest Hartman, who is in charge of them, that the goal is in sight in five years or so.

Kwangtung silk today has two chief defects, a lack of neatness and a lack of evenness. It is 65% standard as compared to 83% for Shanghai silk and the bulk of the Japanese silk. Kwangtung silk, for example, cannot be used successfully for hose because its tensile strength is too low. On the other hand, it is finer, softer, has a better lustre and takes dye more readily than most other silk produced in the world.

Its lack of adaptability for the making of hose is today an exceedingly serious economic handicap because of course, has declined much more than the number of pounds. In 1922, 7,095,322 pounds valued at U.S. $48,000,000 were exported. In 1929, 6,951,586 pounds valued at U.S.$31,000,000 were exported. But in 1932 only 4,381,722 pounds valued at U.S.$6,572,583 were exported. This year both the value and the number of pounds will probably show another sharp drop.

Efforts to Breed a Better Silkworm

The method being employed to evolve a new and

Despite the financial handicap resulting from the depression in the United States (which has largely supplied the funds for building up and supporting the institution), Lingnan University in Canton is carrying on undiminished its many activities for the economic betterment of the country. The picture on the left shows the new women's dormitory that was completed last fall at a cost of U.S. $30,000, half of which was raised in the Oranges, New Jersey. The building was formally opened on September 14. On the right is a picture of two pretty Celestial lasses wearing hybrid silk produced in the Bureau of Sericulture at Lingnan and displayed at the Hsi Ling Chi Memorial Silk Exhibition in Canton. Hsi Ling Chi, an ancient queen of Cathay, is traditionally credited with being the founder of the Chinese silk industry.

rayon is also not very satisfactory for hose while being a more or less effective substitute for other silk clothing. Thus, since most women who can possibly afford to continue to wear silk hosiery they are increasingly using rayon for other articles of attire, and silk that is not satisfactory for hosiery faces a decreasing market. Some observers, of course, think that real silk is doomed to virtual extinction sooner or later because of rayon, but even with all the improvements in rayon in recent years, it is doubtful if it can ever supplant silk among those able to afford it. Incidentally, there is not, correctly speaking, any such thing as *artificial silk*. Rayon and similar products are *imitation silk* only, their chemical composition being radically different from that of silk, which fact most likely means that at their eventual best they will lack many of the qualities that have made the cocoon of the humble silkworm one of the most glamorous and desired products of civilization, especially for the glorification of feminine beauty.

The need for some radical improvement in Kwangtung silk is shown by the sharp decline in raw silk exports from the province in recent years. Value,

better silkworm is patient cross-breeding of every variety of worm that can be obtained with the subsequent testing of the output of the hybrids. Naturally, some features of the process are, for obvious reasons, not available for publication now. Although silk production, at least in China, is one of the world's oldest industries, the application of modern science to it is relatively new. In fact, the experiments now being conducted at Lingnan are the most thorough and extensive that have ever been instituted anywhere, and until there are some definite developments few details will be revealed. When they are completed, regardless of the result, they will be of vast importance to science and a highly original contribution to human knowledge.

Large laboratories at Lingnan are filled with boxes of various silk worms with diligent workers making every conceivable kind of notes on them for further expriment. All Professor Hartman's assistants are Chinese. The work is never-ending and exceedingly painstaking. In addition to silkworm breeding, the sericultural school is equipped with model filatures which are in pleasant contrast to the customary commercial variety and show

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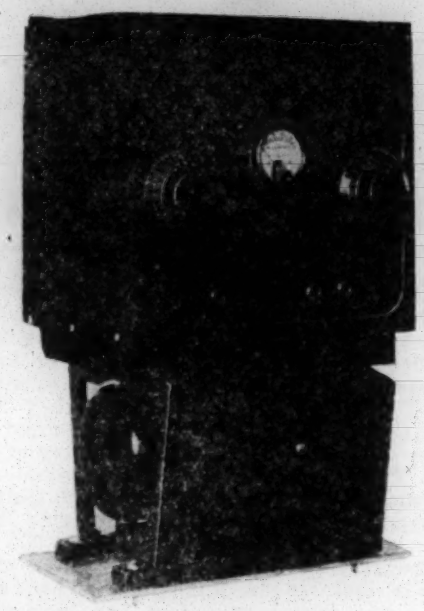

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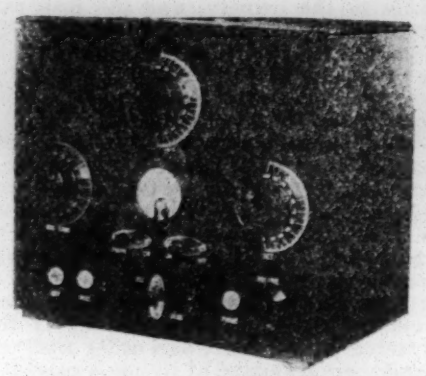

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that this phase of the silk industry, which involves chiefly young women workers, need not be either unhealthful or harrowing.

Already much progress has been made with the development of promising new varieties of silk from hybrids. In addition to seeking the evolution of a new silk worm, much extension work is also being carried on among the farmers of Kwangtung to show them how best to care for their present breed of silkworms in order to improve the output. Further, experiments are being conducted to make paper out of mulberry stems and thus institute a valuable bye-product of the silk industry. The mulberry tree, as is generally known, is the sole source of food for silkworms and the amount of leaves they eat is extremely large. There are approximately 400,000 tons of mulberry stems produced in Kwangtung each year, and if it is found that these can be converted into paper on a commercial scale, this will constitute an important item in Chinese economy. The paper so far produced appears satisfactory for writing with a Chinese brush.

The silk experiments at Lingnan merely represent a part, although the most outstanding aspect, of the policy of the university to provide practical education and contribute to the economic uplift of China. Much other work is being carried on at the institution to improve agriculture, particularly rice production, and there is also much attention devoted to industrial chemistry. Classical culture is by no means neglected, but it is felt that emphasis should be on subjects of a much more practical nature under present conditions in China than Blackstone or Ovid.

This year the university has 420 students, one fourth of whom are girls, in the college courses of arts and science, business agriculture and engineering. There are 480 students in the high school, 250 in the primary school, 130 in the overseas school for pupils born abroad, and 80 in the school of vocational agriculture. There are three American (that is, white American) students in the university, and of course many Chinese of American nationality. One of the white Americans is an exchange student from the University of Hawaii.

Lingnan grew out of the Canton Christian College, but in 1927 it was reorganized under Chinese control and today there is no religious instruction, chapel not even being compulsory, although there is a voluntary religious association similar to the Y.M.C.A. Not many students attend chapel. The faculty is half or more Chinese. The board of directors is composed of two thirds Chinese and one third foreigners. A former board of Americans and Chinese leases the property for $1 a year to the new board which manages the institution, balances the budget, and is responsible to the Chinese National Bureau of Education. The old board contributes the foreign staff, headed by Provost James M. Henry, and other aid. The university has a charter from the regents of the University of New York, in New York City, and gives American B.A. and B.S. degrees. The campus includes 560 acres, beautifully laid out and with pleasing, well equipped buildings.

All courses in the university excepting languages, which include French, German, Chinese and Japanese (although there are now no students in the latter), are in English. There has been some criticism from native chauvinists on the use of English, but both foreigners and Chinese who are qualified to speak on this matter say there is no Chinese terminology for many sciences, and where such terminology has been devised it has been by the clumsy process of transliteration which is of dubious value. Further, in scientific lines, there is very little Chinese literature, either original or translated, available. Many experts, in fact, doubt whether it will ever be possible for Chinese to become really educated in scientific subjects in the present form of the Chinese language, for the mechanics of characters make inevitable that development of an adequate terminology would result in such a difficult and complicated vehicle of expression that students after learning it would have little time or energy left to learn much of anything to express.

So in language, as in other matters, Lingnan is pursuing a practical policy, and in its silk experiments particularly it promises something of the utmost importance to all of China.

Uplifting China's Cotton Mill Industry

BY B. Y. LEE (李炳郁)

THE Chinese cotton mill industry has passed through the most trying period in its history during the past few years, particularly since the Sino-Japanese hostilities of the last year. At present, operations of mills are unfavorable to the owners, and the loss per bale of 20s yarn manufactured is from $10 to $20. In face of the strong Japanese competition, the Chinese mills must seek for some financial assistance from outside. During the past years many effective measures have been adopted by the millowners to cope with the depressed yarn market with a view to relieving the financial position of the millowners, but very little has been accomplished. Since the beginning of this year many Chinese-owned mills have suspended operations, especially those in the interior. There is practically no way to induce the people to buy the products of the mills as the purchasing power of the masses, particularly the peasant class, is at a very low ebb. As the cotton yarn is mostly consumed by the peasant and working classes, an immediate revival of the trade can not be expected, unless peace and order are restored in the country and their standard of living is raised.

The yarn market in Shanghai, the principal cotton mill center, has been unusually dull, and Shanghai werehouses as well as mill godowns are fully packed with cotton yarn, waiting for consumption. To get rid of the huge accumulation of cotton yarn in Shanghai will be a herculean task and will take a long time. It was reported at the end of September the number of bales of yarn stored in Shanghai was more than 160,000 and since then the amount must be greater as the market has been very dull during the past month. The Chinese Millowners' Association recently estimated that at the end of October the number of bales of yarn in Shanghai godowns was as follows: Chinese and British mills, 111,300 bales, Japanese 13,610 bales, besides 37,000 bales stored at the Chinese Cotton Goods Exchange's godown. There is no reliable report available as to the amount of unsold yarn stored in the mill godowns at various places of interior China. There are 28 Chinese cotton mills in Shanghai with a total spindleage of 1,060,000, and assuming they all spin 16s yarn, the daily production is about 2,500 bales. Of course not all the mills spin the low counts of yarn, and many of them have weaving plants attached, which consume a large percentage of yarn produced. The Japanese mills spin high counts of yarn, from 32's to 42's for weaving and knitting purposes, and their products find markets outside of China. Recently the number bales of yarn sold to outport yarn dealers has been from 500 to 1,000 daily. Based on these figures, the amount of unsold yarn stored in Shanghai mill godowns is around 1,000 bales a day or 30,000 a month. Unless the demand for yarn will be brisk, the accumulation of the unsold yarn in Shanghai will cause the millowners more anxiety than they have ever dreamed of before.

Many Factors Cause Depression

The present depression in the yarn market is due to many factors: Droughts and floods, coupled with bandit activities and Communist outrages, hinder the normal movement of textile goods into the interior provinces. Furthermore, as a result of bumper crops of agricultural products, expecially rice, one of the principal foods, the prices of which have been the lowest since 1917, in which year the production of yarn was about 25% as compared with that at present. The purchasing power of the farmers has been considerably reduced with the result that the hand-loom industry has been hard hit. During the past few years, the conditions of the country have not been peaceful, for, in addition to the after-effects of the devastations of the Sino-Japanese conflicts, the trade and industry has to pass through many vicissitudes detrimental to the normal flow of business activity. The prospects of the current year do not appear bright, as, with the price of yarn at the present low level, the cotton mill industry can not be expected to work on a profitable basis, unless there is a revival of demand for the manufactured goods and the new crop of China cotton can be had at comparatively cheap rates.

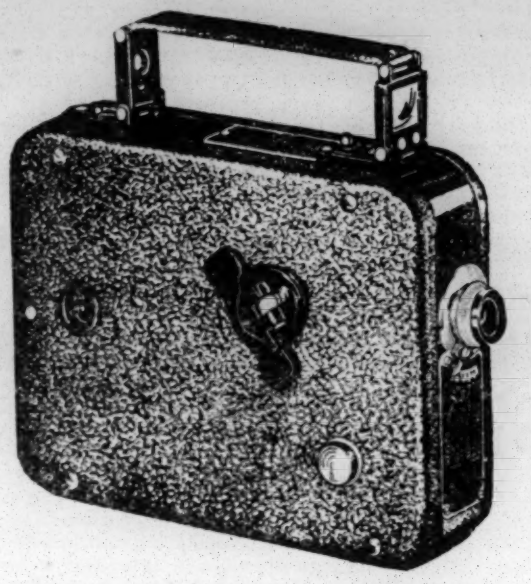
The Japanese competition is largely attributed to the present stagnation of the textile trade in China. Bandit activities, Communist outrages, internal strife, are some of the causes, but these are only temporary factors, which will be wiped out sooner or later. The Japanese elements remain to be solved, and the Chinese millowners must think out some workable plans to compete with the Japanese otherwise their internal financial difficulties can not be straightened out. The stock formerly accumulated in the Japanese mills in Shanghai, due to the anti-Japanese boycott activities, is diminishing. The reports show that the stock of the Japanese mills is about 10% as compared with that in the Chinese mills. The Japanese millowners in Shanghai as well as in Tsingtao, however, are jubilant over the improved situation of late. Their business for the last half of this current year is expected to be much better that it was for the first half. Alleviation of the vigorous boycott movement recently in Shanghai and along the Yangtze River is largely responsible for the trade situation. For these reasons, the Japanese mills in Shanghai and in China as well, are operating to the full extent of their activity, which many Chinese mills either have closed down or have curtailed their operations.

Despite general business depression and anti-Japanese boycott, the Japanese millowners in Shanghai and Tsingtao, two large cotton spinning centers in China, are expanding their activities. The Japanese manufacturers are looking into the future of the trade, undismayed by the present trade depression. Three Japanese mills in Shanghai and Tsingtao have planned to erect seven new mills in these localities. Since 1908 the Japanese have over 2,000,000 spindles in operation in China or about 40% of the total spindleage and 20,000 looms. At present they have 30 mills in Shanghai with 1,250,000 spindles as compared with 1,060,000 of the Chinese owned. Due to a number of factors pertaining to factory management, organization and tenhnical experience, the Japanese mills in China have been very successful in the cotton mill industry. It is said the Japanese have invested about Yen 240,000,000 in the cotton mill industry in China and more than one-half of this total is invested in Shanghai. The Japanese mills in China are owned by a few Japanese corporations which are financed by Japanese bankers in Japan. Being large trusts, the Japanese mills can finance large shipments of foreign cotton, while the Chinese usually can not. Out of the total production of yarn and piece goods in China, the Japanese produce about 40% and 50% respectively. In buying raw cotton and selling the manufactured yarn, the Japanese mills act like a huge trust, which can easily influence the market. The Japanese cotton mill industry in China is the largest industrial interest of Japan, employing a Chinese working force larger than any other line of industry in China. The Japanese mills are progressing by leaps and bounds while the Chinese mills, for various reasons, have lagged far behind. Something must be done and done immediately in order to uplift the Chinese-owned mills so that in the near future they may be able to compete with the Japanese.

Chinese Mills Seek Government Aid

Against various odds, the Chinese millowners in the past have been fighting for their existence without any outside assistance. Before the Japanese entry into the China market and when the size of their mills was small, the Chinese millowners were in a strong position; but in recent years due to many factors as just mentioned, they have either to seek for government aid or go in to bankruptcy. Between the devil and the deep sea they have approached the government to work out a practical plan to save the mill industry from going into bankruptcy. During the Warld War, especially 1918 to 1922, the cotton mill boom induced the people to invest millions of dollars in this industry. During these four years of unusal prosperity, the number of spindles increased by 100 percent, and the Chinese mill managers, by rule of their thumb, made a ridiculously high profit. Ever since then they have changed very little in methods of industrial management and have been looking for the good old days to come back despite the strong Japanese competition and other unfavorable economic factors. They should sit down quietly and think over some important fundamental problems such as the use of scientific industrial management, cooperation among themselves as the Japanese millowners in China have done, the installation of modern systems of accounting and other financial matters, in order to put their house in good shape before they can hope to compete with the Japanese. When the government financial and technical assistance as already promised eventually has an effect, the Chinese millowners will be safeguarded and may look forward to a new epoch.

The report is widely circulated that the National Economic Council is taking effective measures for the rehabilitation of the domestic cotton industry. It is the government's intention to devote all its energy to the work of the Council and the necessary co-operation must be secured from the people in order to achieve the aim. The Cotton Industry Committee, a newly-formed subordinate



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organization of the National Economic Council, has been recently inaugurated. Experts along this line of industry are enaged in devising means to expand the market for cotton, to remove all the economic and political obstacles hindering the development of the cotton trade and to formulate practical plans to uplift the domestic cotton mills. Since the inauguration of the Commission, there has been lively specualtion as to what result will be accomplished. This is the first time that the Government has actually put its hand on this most important industry with a view to relieving the present stagnation of the cotton trade. The raw domestic cotton must be cheap and the manufactured yarn must be high enough to compensate he millowners. These two points constitute a herculean ask for the government to accomplish.

Many practical plans have been suggested with a view to uplifting the cotton mill industry and avoiding its going into bankruptcy, but only one is being carried out. The plan in question is that in order to maintain a firm price of yarn, the Cotton Industry Commission, in co-operation with Chinese millowners, has set a limit of yarn price quoted at the Chinese Cotton Goods Exchange at $184 per bale of the standard quality for future deliveries, and would buy any quantity of the stock at this price in order to support the market. It would be well to observe the effect of the artificial operations to stimulate actual consumption of yarn in the near future, Although the actual demand has not been very heavy, prices have been maintained on a rather firm level, being supported by the Cotton Industry Commission and some mill operators. The lookout for the forward market is quite featureless and prices have not risen since the artificial operations have been put into effect. In the godowns of the Cotton Goods Exchange there are 37,000 bales of inferior yarn, which, delivered by mills during the past months, have not yet been all sold out. This huge stock of yarn in the godown causes much alarm among the millowners. The appearance of a large quantity of inferior cotton yarn is largely due to the present procedure on the local cotton exchange to accept yarn by virtue of their trade marks, irrespective of their actual quality. This gave a chance to some cotton mill manufacturers to turn in yarns below the standard in quality. As a matter of course, inferior yarn brings down the price of cotton yarns temporarily.

The Ministry of Industries recently ordered the Chinese Cotton Goods Exchange not to accept any inferior cotton yarn during November and December and threatened to close its operations temporarily with a view to stabilizing the price of cotton yarn, thereby benefitting the whole industry. Besides ordering the non-acceptance of inferior yarns, the Commission has decided to carry out testing and inspection of cotton yarns delivered to the godown of the Exchange in co-operation with the Exchange authorities so as to raise the quality of the stock and thereby their price also. The Ho Hsing Industrial Company has been recently organized by the millowners and merchants with the aid of the Industrial Commission with the object of purchasing yarns of any quantity at the Cotton Goods Exchange in order to prevent wide fluctuations of yarns. It is reported that up to the end of October, the said company had bought 21,150 bales of the inferior yarn at the Exchange with a total value of over $4,000 000 advanced by several modern banks and native banks. Working on its realization, the Cotton Industry Commission exhorted the Ho Hsing Company to purchase the inferior yarn at the Exchange and dispose of it in the interior so that the pressure of over-supply on the local market can be relieved. This is only one phase of the yarn situation. How much more yarn can the Ho Hsing Company continue to purchase remains to be seen, should the market be like that at present. It is thought that the present depression in the Chinese cotton industry is chiefly due to the pressure of too much cotton yarn on the exchange market, with the result that its price has suddenly and drastically dropped, and once this evil is removed, the yarn market will be bright.

According to statistices compiled by the Cotton Control Committee, the production of raw cotton in China is on the increase, but the price level is still very low. Thus in 1926-7 the total production of cotton was around 6 500 000 piculs, and in 1933 the total is estimated at nearly 10,000 000 piculs. Mainly due to the cheapness of American staple, Chinese cotton is being sold at the very low price of around $40, Hankow standard, per picul. The native cotton is cheap, and the manufactured yarn is also at its lowest point in history. Both the cotton growers and cotton manufacturers are complaining about the low price of their products. Despite the fact that China is the third largest cotton growing country in the world, she had to import in recent years more than $200,000,000 worth of foreign cotton. All cotton mills in China consume at present, little less than 9,000,000 piculs of raw cotton a

year and mills in Shanghai consume about 4,800,000 piculs, or about 55% of the total. There are 28 Chinese-owned mills in Shanghai, 3 British-owned and 30 Japanese-owned, with a totol spindleage of about 2,500,000, as compared with 130 mills in China consisting of 4,500,000 spindles. It is estimated that about 70% of cotton grown in China is used for manufacturing yarn and the rest is used for making cotton blankets and cotton cloths, etc. In order to make up the deficiency between the production and consumption of raw cotton, China has to import foreign cotton, particularly American cotton, to run her spindles.

The price of China cotton can not be effectively controlled; for it fluctuates with the American staple. Any plan formulated to fix the price of the local cotton defeats itself from the start. The price of the Hankow standard quoted at the China Cotton Goods Exchange is always from $8 to $15 picul lower than that American staple, ex-wharf, Shanghai, regardless of any unseen factors. Without artifical manipulation in the Cotton Goods Exchange, the China cotton always follows the New York market cent for cent except when during a time of local political disturbance, tightness of the local money market, and violent fluctuation of foreign exchange affect the price. Before deciding to purchase China cotton, every millowner must scrutinize the New York quotations and their causes of drop or advance. Successful cotton merchants and millowners in China are those who have thoroughly studied and understand the American cotton market. A knowledge of the China cotton market is essential, but on the whole it is not important in the long run. Abnormal conditions may prevail for a time, but sooner or later an adjustment in prices between China and American staples must be reached.

Cotton is grown practically all over China, but little science has been applied to the cultivation, and little has been done either to suit the seed to the soil or to improve the length of staple. The present high average per mow is around 60 pounds of lint or 150 pounds of seed cotton. According to careful estimates made in the south-western provinces, it would seem that there is an area of about 55,000,000 mow of land available for the cultivation of cotton, and if scientific irrigation were employed, this might perhaps be increased to 650,000,000 mow; while in the Yangtsze provinces and Shantung there are about 100,000,000 mow under cultivation so that in these provinces there would appear to the about 160,000,000 mow, which if properly cultivated would yield 50,000,000 piculs of cotton annually, instead of a little less than 10,000,000 piculs,—enough to provide China's need. A plan is under foot to reclaim salt lands for growing American cotton along the Huai Valley. This plan is not only a great help to 2,500,000 farmers of Kiangsu province, but also vital to the development of the cotton mill industry. A meeting was recently held at the Ministry of Industries for the purpose of effecting plans to develop the 13,000,000 mow of salt land. An annual income of from $100,000,000 to $200,000,000 will go into the Central Treasury if this partof the valley is to grow American cotton. In order to further increase the production of native cotton. So that the country may become self-sufficient in this respect, the National Economic Council has dispatched many technical experts to various cotton-producing centers to study the local methods of cotton cultivation with a view to devising measures for the improvement of native methods. With reference to the problem of improving the price-level of domestic cotton, the Cotton Control Committee will shortly dispatch representatives to various parts of the country to conduct local investigations into the market situation. Measures for the rehabilitation of the native cotton market will be devised on the basis of such data.

There is another indication of active government participation in the promotion of Chinese industrial enterprises. The National Government has repeatedly declared that it has the strong determination to give financial assistance to Chinese cotton mills which are in distress. With a view to uplifting this industry further, which is one of the most important industries in China at present, employing more workers than any other single line of industry, the Government has recently contracted the U.S. $50,000,000 loan for the purchase of cotton and wheat. To all intents and purposes, the proceeds of the loan are said to be used for constructive purposes. Two consignment of the American cotton have reached Shanghai, and they are still being stored at various godowns in Shanghai, waiting for disposal. Although the local Chinese mills are earnestly expecting that cheap rates of American cotton will be available in the near future and that there will be no necessity to purchase much supplies from the local market, it is still uncertain what steps the Government will take, either to sell the American cotton to the local millowners at the cost price in the form of a loan or for cash at a price lower that the current price. As the name implies the cotton as well as the proceeds of the loan should be entirely utilized for the good of the domestic cotton mill industry. Some have suggested that the Government should sell the imported cotton without limit on long term credit to Chinese millowners against cotton yarn to be stored in bonded warehouses as security. As soon as the demand for yarn becomes brisk or when the price of the yarn thus stored in these warehouses is higher, the Government then may request the millowners to sell the goods and pay the debts due. It is believed such a proposal would be both beneficial and satifactory to the millowners. Undoubtedly this proposed plan will be eventually carried out under some modifications.

Toward to the end of November, when the separatist movement in Fukien was started the yarn market in Shanghai was almost in a state of panic, particularly on the day previous to the settlement day for the month, which fell on the 28th. Since its inception, the Cotton Control Committee has tried all means to maintain a firm price of yarn, and would buy up yarn of an unlimited quantity quoted at the Cotton Goods Exchange below $184 per bale. Mainly due to the Fukien independence movement, the local banks, in order to safeguard themselves against any emergency that may arise as a result of the civil strife threatening in the Shanghai area, were unwilling to grant a large loan, so that the Committee could not do anything but sell all its holdings previously intended to be stored at warehouses. Within two days' time, from November 29 to 30, the yarn quoted on the Exchange dropped from $188 to 179 per bale the biggest drop known in the history of the Shanghai yarn market. Despite the unfavorable yarn market at present, the Committee still seeks some means to keep up the price of yarn, and as soon as the political situation becomes clear, the strenuous effort of the Committee will bring fruit to maintain a firm price of yarn. But the price of yarn is still dropping, and up to the 5th, it dropped to $172.

During the first week of this month, more than 70 representatives from 40 odd mills from various parts of China met at the office of the Chinese Cottonmillowners' Association in Shanghai and discussed ways and means to uplift the cotton mill industry, which is on the verge of bankruptcy. Among the proposals passed at the various meetings were the following:—(1) Curtailment of hours of work, (2) organization of a joint selling bureau, (3) organization of a cotton mill bank and trust company. (4) request the National Government for immediate financial relief. It is strongly believed that in view of the serious consideration taken by both the Cotton Control Committee and the Chinese millowners themselves, the yarn market will improve eventually, despite unfavorable political and economic conditions now existing in China, as the country is not yet in a large scale of production, as compared with that of other industrial countries. Millowners are fewer and the daily production is smaller as compared with that of other countries, and hence industrial depression and industrial panic as they are known in Europe can rarely take place in China.

Japanese Mills in China Active---Chinese Mills Face Crisis

Recent articles in Japanese newspapers report with great glee that the Japanese cotton mills in China are active whereas the Chinese cotton industry is facing a crisis. Katsufusa Nakai, an expert of the Naigai Cotton Spinning Company, on his return to Japan recently after a tour of China said the anti-Japanese agitation has somewhat subsided of late and Chinese purchases of Japanese cotton goods had remarkably increased As a result, Japanese mills in Shanghai, which had continued an extreme curtailment of operation for several months, would now be able shortly to lower the curtailment as their accumulated holdings have now been completely cleared. "Some Japanese mills in China have started the production of goods for next year delivery," Mr. Nakai said.

Kailan Agrees to Pay Mining Tax Starting Next Year

Negotiations which have been in progress between representatives of the Kailan Mining Administration and the Ministry of Industry in regard to the long outstanding question of payment of the mining tax, now in default for over twenty years, are stated to have resulted in the Kailan Administration having agreed to pay the prescribed mining tax beginning from next year.

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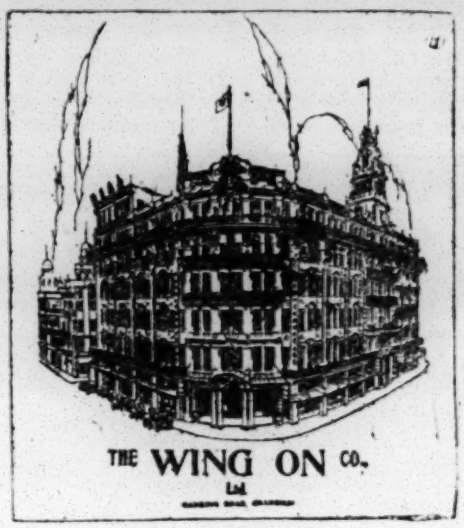

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Manchukuo's Puppet Poppies

(Time Magazine, Nov. 13)

Until last week no Great Power had troubled to attack the puppet "Regency" of hollow-eyed Henry Pu Yi over what Japan calls the new state of Manchukuo.

Regent Henry has been free to assume that President Roosevelt would recognize Manchukuo sooner or later as no worse than Bolshevikland. Secretary of State Cordell Hull has given no sign that he favored his Republican predecessor's "Stimson Doctrine" of unyielding non-recognition of Manchukuo. Abruptly last week President Roosevelt moved to pin on Manchukuo an odium worse than any attaching to Russia.

The President sent the State Department's assistant chief of Far Eastern Affairs, Stuart Fuller, to read a 1,700-word U.S. protest anent Manchukuo to the League of Nations' Opium Commission in Geneva. Pointedly ignoring the existence of any such state as "Manchukuo" and insisting that its territory is the rightful property of China, Mr. Fuller, while careful not to mention Japan by name, denounced the regime behind puppet Regent Henry Pu Yi for increasing the opium output of Manchukuo by every means and making it a centre for illicit dealing in every form of homegrown and smuggled opium.

Pamphlets dropped from airplanes, charged Mr. Fuller, instruct Manchukuo farmers in the best ways of growing opium. Stamped on the new money of Manchukuo, he sarcastically observed, is "a beautiful poppy in full bloom!"—an opium poppy. Of the Manchukuo Opium Monopoly, financed by a Japanese loan, Mr. Fuller snapped, "There can be no question that the concern was established for the express purpose of extending and exploiting the smoking of opium!"

Across the League table, as these charges were hurled, sat Japan's placid Masayuki Yokoyama, puffing a cigar. Japan has resigned from the League and the U. S. has never belonged. After Mr. Fuller had wound up by calling the narcotic situation in Manchukuo a "menace to the United States," Mr. Yokoyama took refuge in the fact that Manchukuo had not even sent an observer to the League. "Only Manchukuo," said he blandly, "can speak for Manchukuo."

Morphine from Japan Problem to America

Morphine from Japan constitutes a substantial part of the supply of dope smuggled into the United States, the Federal Narcotics Commissioner, Harry J. Anslinger, stated, in his annual report, published in Washington, December 4. The heaviest seizures of illegal morphine during the past year were effected on the Pacific coast, and the contraband "came almost entirely from Japan, from where it was brought by ship," the report says.

"The appearance of Japanese morphine, smuggled, distributed and peddled by Japanese on the Pacific coast and in Hawaii marks a new development in this illicit traffic, which the American and Canadian authorities view with grave concern," Mr. Anslinger's report adds.

⁂

Japan to Sign Narcotic Treaty With Reservations

After prolonged deliberations, the investigation committee of the Japanese Privy Council, which has been studying the international treaty for the control of manufacture and distribution of narcotics signed under the auspices of the League of Nations, has entered the recommendation that the treaty shall be ratified by the Japanese Government with due reservations incidental to Japan's withdrawal from the League of Nations.

Real Estate Review of Western District by Realty Investment Company

The largest new building started during the week is an apartment house on the corner of Route Vallon and Route Pere Robert. It will be five stories, with fourteen garages. The cost is estimated at $250,000. Other building operations started during the week are; 22 Chinese hongs on Stone Bridge Road, near Sinza Road; 14 Chinese houses on Myburgh Road, near Tsingtao Road; 20 Chinese hongs and 2 Chinese shops on Hart Road, near Singapore Road.

China's Most Modern Silk Filature

BY PAUL K. WHANG (汪仲芳)

AT this time of world business depression when China's silk trade has been at a very low ebb and Chinese silk filatures have been closed in wholesale fashion, it is inspiring to note that a few of the enterprising and progressive silkmen with undaunted spirit and courage have defied the risk of business loss and failure in opening up a new silk filature equipped with up-to-date machines and apparatus in an endeavor to raise the quality of China silk to a high plane and in the meantime to arouse the interest of other silkmen in the modern methods of silk production. What I have in my mind is the Jade Pagoda Silk Filature which has just made its bow before the public.

The well-lighted and sanitary reeling room, equipped with most modern machines, of the Jade Pagoda Silk Filature, most modern in China.

This new filature is situated about eight kilometers northwest of Hangchow, Chekiang, on the Nanking-Hangchow Highway, and in the cocoon-producing center of Chekiang province. Its site covers an area of fifty five mow. All the buildings including reeling room, finishing room, business office, godown, dormitory for employees, two dormitories for female workers and dining hall have been newly and specially constructed. Chinese-made machines and apparatus modelled after the up-to-date types have been installed. At present, eighty reeling machines are in operation, and their total silk production provided with day and night shifts of work is about one picul (133 pounds) per day or about twenty Chinese ounces per reeling machine per day.

The total capital for this new venture is $100,000, of which about $55,000 are invested in land, buildings and machinery, while the remainder $45,000 are to be used for financing the operation of the filature. Inasmuch as most of our filatures have been operated on a very small capital of $15.000 to $30,000, the working capital of this new filature is therefore much larger than the average. Provided with this ample working capital, the new filature can easily approach the banks for loans at the time of purchasing cocoons.

The promoter and manager of this new filature is a well-known silk expert Y. T. Chou. He is a graduate of M. I. T. in the class of 1922, and received his early technical training in the States. Prior to his present work, he was once the Chinese Manager of the Shanghai International Testing House (now the Raw Silk Department of the Bureau of Inspection and Testing of Commercial Commodities), and the Manager of Hangchow Model Silk Filature which has been operated under the auspices of the Chekiang provincial government. Besides, Mr. Chou has always been identified with all movements for the improvement of the quality of China silk and has served on various committees for that purpose.

A Model Establishment

Any one who has the opportunity to visit this new filature will be instantly impressed with its simple but modern appearance, its spacious working rooms, its sanitary conditions, and last but not the least, the harmony between capital and labor. In it are embodied the new ideas and scientific ways of operating a filature. It represents a clear contrast to the old-styled filatures where the female workers are working before the steaming basins without proper light and ventilation and where labor trouble is rife.

The reeling room of this new filature is spacious and clean, with good light and ventilation. The girls wear green uniforms, harmonizing with the green color of the machines. Instead of laboring eleven or twelve hours a day, they work nine hours a day with day and night shifts. Therefore they appear very fresh and attentive to their work. In the midst of wholesome atmosphere and pleasing surroundings, they seem to apply themselves more diligently to their work. Their wages are based on the quantity and quality of their respective products, and they have a day for rest every two weeks.

Most of the girls in this new filature, I am surprised to find, are high school graduates. All the applicants for employment must go through an oral test and a physical examination with special stress laid on the eye test. Every successful applicant must be unmarried and have good sight, a weight of 90 pounds and a height of five feet. After successfully passing through the oral test and physical examination, they will be trained for two weeks before they are assigned to different works. Because of their good intellectual stand-

Modern dormitory for women workers in the Jade Pagoda Silk Filature, most modern in China recently completed at Hangchow.

ing, they, I am told, are very apt at picking up the simple process of manufacturing silk, and most of them have turned out to be very efficient hands after two weeks of training. The girls are housed in two new dormitories and have their meals together in a big dining room. During the meals, radio music is provided. Free medical attendance is also given to those who are afflicted with sickness. The head matron is one of the directors of Y. W. C. A., Hangchow. At present, there are altogether about two hundred girls.

The new filature markets its products directly to the American market through its agency in New York, thus obviating the present unsatisfactory procedure of selling silk through silk hongs and exporters. The silk produced is of re-reeled variety, which is especially suitable to the American requirements. I have been shown the silk produced by these new machines and am glad to say that its evenness in most cases is above 90 per cent. I am assured by Mr. Chou himself that the quality of the products of this new filature will be even superior to that produced by the Hangchow Model Silk Filature. In this connection, it must be explained that the Hangchow Model Silk Filature in the past has manufactured products of such fine quality that its products have enjoyed a very good reputation among the American manufacturers.

Mr. Chou and his colleagues do not confine their attention to improving the methods of manufacturing silk, but they have also spared no efforts in bettering the quality of cocoons. They have introduced to the farmers in the vicinity of their filature the disease-free eggs and taught them scientific methods of rearing silkworms. In order to secure a good supply of cocoons in future as well as to relieve the farming distress, they have propagated the idea of forming cooperative societies among the farmers. In leading this movement, they have secured the financial support of several far-sighted Shanghai bankers and have also succeeded in enlisting the cooperation of farmers. At present, thirty nine cooperative societies have already been formed in the vicinity under the supervision of the management of this new filature.

Many Notable Features

From what I have related above, it can be easily surmised that this new filature has had many notable features which should be highly recommended to other silkmen who have entertained the same ambition in rehabilitating and rejuvenating China's silk industry. The new filature has not only adopted the new methods in manufacturing and marketing silk, but it has also promoted the welfare of female workers as a means to secure close co-operation between capital and labor. Nay, it has also helped the farmers in its vicinity to form cooperative societies in the way of relieving rural distress.

In face of an acute silk slump, while many of our silkmen have quit the silk business, Mr. Chou and his colleagues have not yet lost their hope in China's silk industry. Their spirit and courage deserve our admiration, and their noble example should be given wide publicity. They have demonstrated to their fellow silkmen the new methods of organizing and operating a silk filature. They have blazed the trail so that the others can follow. It is hoped that our silkmen will draw some inspiration from this noble example and will follow their lead in rebuilding and reconditioning their old and obsolete filatures, so that the quality of Chinese products can be greatly improved and our lost markets can be recovered.

The success of this new filature may usher in a new era in which we shall witness the revival of our silk trade. It is long overdue that our silkmen should replace the old machines with the new ones, not only for producing better silk but also for the sake of economy. I have been told that the new Chinese-made reeling machine costs only eighty dollars each. Each machine can reel simultaneously from fifteen to twenty ends instead of five or six ends as in the case of the old Italian type. The increase in production per machine will naturally decrease the cost of silk-manufacturing. As a matter of fact, China's silk industry can not be re-established, unless we can introduce new and better machines for silk-production.

Mr. Chou and his colleagues must be praised for their pluck in promoting this new enterprise and in arousing the interest of our silkmen to the new methods of producing and marketing raw silk. Jade Pagoda, as a Chinese article exhibited in the Chicago Exposition, has acquired an international fame. It is my fervent

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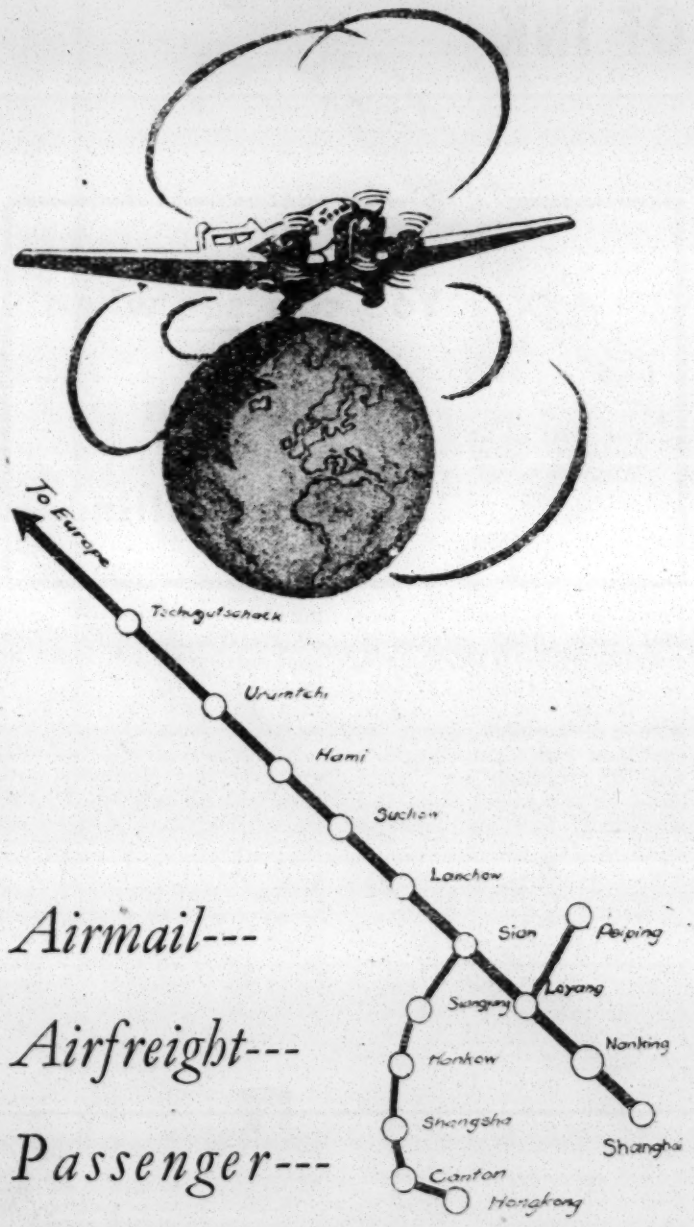

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lope that the new filature which bears the name of "Jade Pagoda" will become equally popular and famous among the world silk manufacturers.

Shanghai, Dec. 9, 1933.

Ministry Defines Regulations Concerning Mission Property

A ruling has been given by the Ministry of Interior that the restrictions regarding the acquisition, by foreign missions or churches, of real estate in the interior do not apply in the case of religious bodies composed entirely of Chinese nationals, according to an official interpretation of the provisions of the Regulations governing the lease of land and buildings in the interior by Foreign Missions. The ruling of the Ministry points out that the restrictions in question were designed mainly to protect Chinese sovereign rights.

Increased Taxes on Cigarettes and Matches to Be Enforced

In spite of protests from Chinese manufacturers in Shanghai, there is no indication that the Ministry of Finance will rescind the orders increasing the consolidated taxes on cigarettes, matches and cement. Dr. H. H. Kung seems determined to advance the Government's revenue in order to meet the annual deficit of $120,000,000. Officials of the Ministry emphasize that the increased taxes are by no means excessive as compared with other countries. About $300,000,000 worth of cigarettes is consumed in China every year. This high rate of consumption is cited as an argument in favor of the increased tax.

China Objects to American Bus Service on Sinkiang Highway

In compliance with the request of the Ministry of of Railways, the Ministry of Foreign Affairs is reported to have notified the American Consulate at Tientsin to stop the operation of a commercial motor service on the Suiyuan-Sinkiang Highway by the Hua Mei Automobile Company, which is an American concern.

According to a report received by the Ministry of Railways from the Suiyuan-Sinkiang Omnibus Company, five motorcars of the American Company, with only a passport from the American Consulate, have been operating on the Suiyuan-Sinkiang Highway. Subsequent investigations by the Ministry also confirmed the report.

British Ship Magnate Wants Power to Hit Back at Subsidized Ships

Alexander Shaw, Chairman of the British P. & O. Steam Navigation Company, addressing the meeting of the Company in London Dec. 6, spoke of the grave menace from subsidized foreign competition with which British shipping was faced. The American White-Jones Act, he said, enabled the participation of any American line in any shipping conference in the world, under the threat of the United States government otherwise excluding from all American ports the lines participating. Mr. Shaw said that in his opinion it was ridiculous that the American line which recently invoked the Act should at present be attacking the British shipping trade between British possessions in the Far East, particularly Hongkong, Singapore, Colombo, Penang and Bombay. He said he did not favor the general policy of reservation of Empire trade to British ships, but where such competition existed, he suggested that the Empire governments concerned, including Great Britain, should be empowered to provide by Order-in-Council that the trade between them should not be carried in the vessels of the particular powers from which the danger proceeded.

A pledge for government action to save British shipping against unfair discrimination by foreign countries was given by Neville Chamberlain, Chancellor of the Exchequer, in a speech at Birmingham, England, Dec. 9.

The *London Times* Dec. 8 stated that governments other than the British government, are now spending about £30,000,000 every year on shipping subsidies, as the result of which the total mercantile shipping of the world had increased by 21,000,000 tons, whereas the volume of freight to be carried is smaller. The *Times* said Britain was now driven to meet subsidies with subsidies to protect those branches of shipping which are most hardly hit by foreign subsidized competition.

Diverse Interests in Fukien to Oppose Nanking

BY FRANCIS CHEN

The present situation of Foochow is very grave, indeed. The Independence Movement on November 20 has disturbed the political and economic equilibrium formerly to be found in Foochow. During the time when China is confronted with a national crisis of exceptional gravity, the present imbroglio remains, if not an insurmountable obstacle, at least a stumbling-block in the path of the Nanking Government looking to the maintenance of peace at home and abroad. The reasons dictating the rise of this complicated political situation are not difficult to explain.

The Opposition of the 19th Route Army to the Nanking Regime

In many respects, the Nineteenth Route Army is dissatisfied with the Nanking Regime. First, the Nineteenth Route Army opposes the pro-Japanese policy. What attitude the Nanking Government has adopted toward Japan, we are not in a position to say; but it goes without saying that the Huang-Okamura negotiations conducted secretly in Peiping and elsewhere, naturally lead to the arousing of suspicions on the part of such generals as General Tsai Ting-kai who put up stubborn resistance in Shanghai against the Japanese. Secondly, the leaders of the Nineteenth Route Army oppose General Chiang Kai-shek. They suspect that he will be their destroyer. At the mass meeting on November 20, General Tsai said that General Chiang had attempted several times to disarm the Nineteenth Route Army. Thirdly, the Nineteenth Route Army feels discontented with the drastic cut of its military appropriation. In his recent speech, General Tsai said: "The monthly expenses of this army, in 1927, were one million but it was afterwards cut to three hundred thousand. Last year, it was increased to six hundred thousand, through the help of T. V. Soong. The growth of this army is checked by the lack of funds."

The Activities of Different Political Parties

The participants of the Independence Movement come from different sources: the Third Party, the Social Democratic Party, the Nationalist Youth Party, the Kwangsi faction, etc. They represent diverse interests; they have different political beliefs, but they are all anti-Chiang, anti-Nanking, anti-Kuomintang. Taking advantage of the Nineteenth Route Army's discontent with the Nanking Government, they rushed to Foochow, held conferences with the leaders of the army and urged the army to declare itself independent of Nanking and of the Kuomintang. But for the participation of these parties in the Movement, the problem of Foochow would be very simple. In my judgment, the Nineteenth Route Army would obtain moral and material support from the militarists of North-China, from the veteran members of the Kuomintang in Kwangtung if the army were engaged in an anti-Chiang campaign and that only.

Continued Cooperation Improbable

It is problematical whether the different parties with different political views can cooperate long enough for the attainment of the common goal. The question also arises as to whether there is any connection between the People's Government and the Communist Party. So far as my observation goes, the Nineteenth Routh Army is not at all connected with communist activity. In the words of General Tsai, the army is "disqualified to become a red army." Some prominent members of the People's Government are, however, communistically inclined. They espouse some principles of the Communist Party; they adopt a friendly attitude toward the Party. In local newspapers, the words "communist-bandits" and "communist-suppression" practically disappear. The slogans of agrarian revolution appear now and then.

The Recent Developments in South China

When General Tsai's army was sent to Fukien for bandit suppression and when General Chiang Kwan-nai was appointed Chairman of the Fukien Provincial Government, rumor was rife that Fukien would be attracted to the fold of the Southwest Political Council, an organ notably directed against General Chiang Kai-shek. Later on, General Chen Ming-chu returned from Europe and he went from Canton to Foochow and *vice versa*, from Canton to Hongkong and *vice versa*, holding private conversations with the leaders of the Southwest and sounding their opinions regarding his separatist schemes. But as

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General Chen Chi-tang, the virtual ruler of Canton, flatly opposed his plans, he came to Foochow and decided to push through the separatist movement with his former subordinates. In the meantime, General Li Chi-sen, of the Kwangsi faction, was reported to have the ambition of becoming the master of Canton. He thinks of utilizing the movement as a lever to pry General Chen off Canton. With Fukien as the base of operations, he thinks he could easily invade Canton and oust General Chen of power.

As pointed out in the preceding paragraphs, the movement of Foochow is directed against General Chiang Kai-shek, against the Nanking Government and against the Kuomintang, it tends to lessen support from different quarters, especially from the Southwest Political Council, and tends to hasten the cooperation of South China and Nanking.

The Present Condition of Fukien

The politics of Fukien are dominated by various powerful elements. The eastern part of Fukien is the Navy's sphere of influence; the western part of Fukien, with the exception of Changchow, is the bee-hive of communists and Social Democrats; the northern part of Fukien, except Yenping, is ruled by General Liu Huo-ting, who remains loyal to General Chiang Kai-shek, and Generals Liu Hin-pang and Chow Chih-chun, who remain on the fence, trying to be friendly to both sides—for the present, two divisions of General Chao Kuan-tao's army are despatched to Kienou; the central and southern parts of Fukien are under the rule of the Nineteenth Route Army.

Torn by internecine war and communist raids, Fukien is a poverty-stricken province. Unemployed workers in cities and destitute peasants in villages are numerous. When they sink into hopeless poverty, they become bandits. This accounts for the fact that Fukien is a bandit-infested area. Worse still, Fukien is greatly handicapped in communications.

Amid these circumstances, what prospect the new government of Foochow affords can easily be judged by readers and needs no elaborate consideration.

Foochow, Dec. 4, 1933.

Disillusionment of League Experts in China

(Osaka Mainichi, Dec. 3)

The present disintegration movement going on in China, as shown by Fukien's declaration of independence and the possibility of similar steps being taken by other provinces, should not make us lose sight of the fact that there is a League commission in China which is supposed to be helping Nanking in her national rehabilitation.

This commission, made up of a group of experts headed by Dr. Ludwik Rajchman, arrived in China a couple of months ago and is supposed to be already busy at work. We remember that at the time of the party's arrival, Dr. Rajchman emphatically stated that the League would not meddle with China's domestic affairs politically, that there should be no fear of China's international control, and that he and the rest of the experts sent from Geneva were going to act only as technical advisers.

We have repeatedly written in this column that the League is ignorant of the true situation in China—that to endeavor to aid Nanking technically without helping her to attain political stability was an attempt at something impossible. We still consider that the root of the League's failure to solve the Chinese question is because Geneva cannot see that China is not an organized state in the true sense of the term.

It must be discouraging and even disgusting for the League experts to see revolts and internal conflicts cropping up one after another when they are trying their best to aid China. From Shanghai we have already received a dispatch quoting one of the experts as expressing his disillusionment in things Chinese. We are sorry for both China and the League in regard to this "shock of awakening," but after all, it may be for the good of the world to have Geneva realize what China is.

Direct Radio Service to England Is Postponed

Wen Yu-ching, Director of the Bureau of International Telegraphs, told press representatives in Nanking when he arrived there from Shanghai Dec 9 that direct radio communication with Britain which, according to original plans, was to have been inaugurated in January, will be postponed to February or March next, as arrangements cannot be completed in time. The new building has been erected at Chenju and most of the equipment for the operation of the service has arrived or is due soon.

Why the Mongol Wants Autonomy

(By a Foreign Correspondent in Peiping)

Pailingmiao, Inner Mongolia

CHINA has a delicate problem on her hands in dealing with the Inner Mongolians and their demand for an autonomous form of government. It remains in Chinese hands either to make Inner Mongolia useful provinces of the Chinese Republic or to make them a part of Manchukuo.

No one can visit Mongolia and talk with the Mongolian leaders without being impressed by their earnestness and their determination to lift themselves out of their present rut rather than permit their gradual extinction by the Chinese agriculturists slowly but surely absorbing their land.

It cannot be denied that the Chinese are practising in Mongolia the Imperialism they so roundly denounce in others, and with good cause. The penetration which they resent and fear and denounce in the south and west has been going on for years in Inner Mongolia and this the Mongols appear determined to stop.

Friendly and intelligent handling of the situation by China will gain China a friendly ally. A continuance of the short-sighted policy so far carried out will make Mongolia enemy territory. Mongolia is caught between two fires. She has to seek a friend on one side or the other. She is now seeking a friend in China. If she fails to find one she will seek a friend in Japan through Manchukuo.

The Central Government has all along left the Inner Mongolia problem to the petty militarists who control the two provinces which China has annexed from Mongolia. It is not in the personal interest of these militarists to settle the problem with justice. They desire to extend their control to yet more territory of Mongolia and if allowed to do so will gain temporary control of more territory and its revenues and at the same time force the Mongols into the Manchukuo camp. This will result in the Japanese, through Manchukuo, forcing back the Chinese militarists and bring the territory under Manchukuo control.

It is a mistake to say that the Japanese are behind the Mongol autonomy movement. Only the Mongols are behind it. They have been forced by the necessity of existence to start the movement which has swept through Mongolia like a fiery cross. Attempts by Japan to get a footing in Mongolia have so far been repelled. A short while ago the Kwantung army offered the Princes of Eastern Inner Mongolia the gift of a radio station as their communications were "not of the best." The offer was accompanied by the insidious suggestion that doubtless the Mongols had no radio experts and therefore the Japanese would be only too happy to send men to work the station.

The Mongol is not quite so blind as the Japanese supposed and politely declined this effort to get Japanese agents into Mongolia together with a perfect means of communication between themselves and the Kwantung-army.

Do Not Want Japanese Friends

Again, it was in order to avoid possible complications with the Japanese that the Mongol leaders journeyed to Palingmiao to hold their conference and to receive the delegate of the Central Government. The Mongols do not want Japanese friends. They want Chinese friends preferably. If however the Chinese refuse then necessity compels them to look to Changchun, for they cannot stand alone and survive and they are fighting for survival, the survival of the Mongol race.

The position was put to me reasonably by two of the prominent leaders of the Mongol movement. They recalled that when the revolution broke in China in 1911 the Mongols came in as one of the five people making the Chinese Republic. At that time Mongolia was, as it always had been, the property of the Mongols. A free people they entered the Republic, but thir cattle, their flocks, their horses and their grasslands and deserts remained the property of the Mongol people.

Then began the pentration of the Chinese agricul-turist. Fleeing from the oppression of the many militarists who swept over China time after time following the establishment of the Republic, Chinese farmers went further and further north, taking a buffalo

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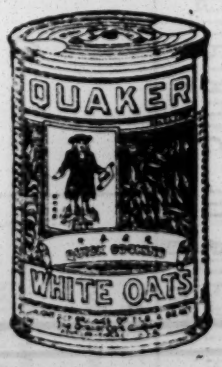

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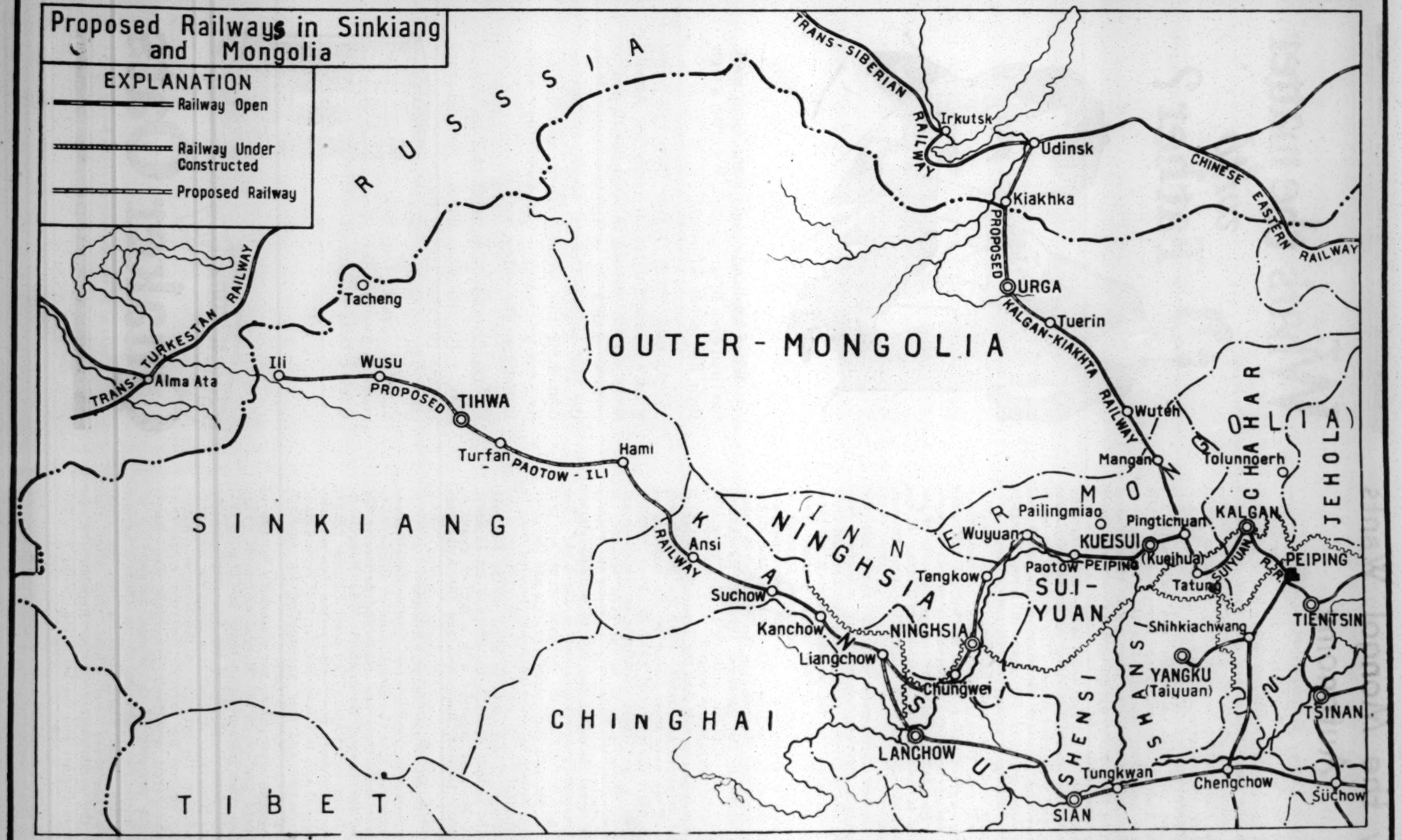

This map in addition to indicating new railways which China proposes to construct through Mongolia, one from Paotow in Suiyuan to Ili in Sinkiang and another from Kalgan to Kiakhka, also shows the relation between Inner-Mongolia and Outer-Mongolia. Inner Mongolia which is discussed in the accompanying article is a narrow strip of territory inhabited by nomadic Mongolians which borders on Outer-Mongolia on the north and extends southward into the new Chinese provinces of Chahar, Suiyuan, Ninghsia and thence into Chinghai or Kokonor. It has been the gradual invasion of Inner-Mongolia by Chinese farmers and militarists that has been responsible for the Mongolian Independence Movement which threatens to link up with Manchukuo.

and an old wooden plough. With these they began to turn up the rich grasslands of the Mongols and the peculiar system of Mongolia allowed him to do so very easily. In ploughing up land which didn't belong to him the Chinese farmer was ploughing up the land of no specific individual. He merely ploughed the land of the Mongol people.

It is a Mongol law to-day as it was in the time of the great Khans that if a Mongol camps beside a well and feeds his flocks on the surrounding grasslands no other Mongol may oust the "tenant" or camp there without his permission. The land belongs to the people and not to individuals.

So when the Mongol herds reached the Chinese settlements they fed no further but turned back. The Mongol was troubled but his friend and neighbor the Chinese had not taken much land and so nothing was done. Fighting was outside the Mongol's thoughts. He was not a revolutionist and to fight the farmer would have been civil war.

But year by year the inch taken by the farmer became an ell. The rich virgin land gave good crops and raised good animals. More and more farmers came.

But in their footsteps came the inevitable brigand. If the farmer had found land free from militarists so would the bandit ravage in that free land. And following the bandit came the soldier and his master who found new territory from which to squeeze food for his men and taxes for himself.

When the bandit sought to extend his attention to the land still controlled by the Mongols he burned his fingers. He found the Mongol a better rider. He also found that the man who can shoot antelope at four hundred yards and travelling forty miles an hour is a better shot than the Chinese bandit ex-soldier who never learned to shoot but only to fire off a rifle.

The bandits however became numerous and the Mongols are not a numerous people. The bandits were able to ravage along the border and escape into the Chinese settlements where the Mongol did not follow.

Thus in the years which followed the revolution large slices of Mongol land became, prima facie, Chinese territory with the attendant militarist and bandit evils. It looked so much like Chinese territory that in 1928 the Nationalists in a fit of Imperialism named this stolen land Charhar and Suiyuan, chopping of parts of Chihli and Shansi provinces to add to the new ones to cover up what actually was plain annexation of the land of a weak neighbor and partner in the Chinese Republic.

Years have passed and the penetration continues. The Mongol year by year is driven further north towards the sand desert where his flocks and herds will finally perish and the Mongol with them.

Now the Mongol is fighting for his right to live on his own land. He wants the big brother of the Republic to reverse the injustice of the annexation and penetration. One of the leaders said to me:

"This can be compared to trouble in the household while the father is away. The bigger brother (China) has stolen from the small brother (Mongolia). The Nanking government as the father has come home in the person of the Nanking representative here to settle the quarrel. We look to him to right the wrong by giving back to the small brother what the big one took away. If he confirms the big brother in his theft then what are we to do?"

The Autonomy Movement

This then is the autonomy movement. The Mongols wish to rule their own land. Given control of it bandits will disappear from it, for the bandit fears the Mongol soldier.

Vigorous opposition to autonomy for Inner Mongolia has been put up by the provincial governors of Charhar and Suiyuan. Propaganda has been widely spread that the movement is anti-Chinese and pro-Japanese. But it is obvious that the Mongols can effect no suitable settlement with the provincial governors. If Nanking accepts the autonomy proposal then Mongol control will be reestablished over an area comprising about half of Charhar and Suiyuan.

Nanking sent General Huang Hsiao-hsiung to Kueihua and Pailingmiao to see the leaders and discuss matters with them. His actions after his arrival in Kueihua indicate the prevailing suspicion the movement had aroused. The Minister remained a long time in Kueihua assuring himself that all was well. Finally he decided to go the 100 miles to Pailingmiao but only

(*Continued on page 128*)

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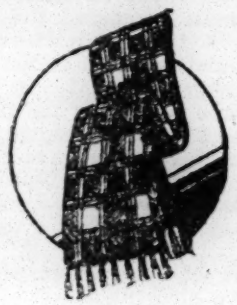

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The Real Significance of Dr. Rajchman's Mission to China

BY ANTHONY C. TONG

WHILE the world is focussing its attention on Dr. Ludwig Rajchman sent from the League to give China technical advice on economic reconstruction, and many a critic hazards its guess on the true intention of the League dispatching such an expert to the orient, we wonder how many had ever shut their eyes and think hard on the real significance of this trip of Dr. Rajchman's and how much of China's hope is laid upon this gentleman's shoulders.

At the beginning of 1931 the National Government of China requested the League to ask Sir Arthur Salter, Director of the Financial and Economic Organization of the League, and Robert Haas, Director of the Transit and Communication Organization of the League, to come to China. Upon the arrival of the two experts, discussions began between them and the National Government on various technical subjects. Their conversations caused the birth of the National Economic Council of the National Government, which then made a formal proposal to the League for securing technical aid on April 25, 1931. In May of the same year, at a session of the Council of the League held in Geneva, the proposal was formally accepted and approved. Dr. Rajchman, in a new capacity, had for the third time visited China in the middle of September, 1931. Following him many European experts were invited to China through the League to conduct a technical survey along different constructive lines, among those experts being particularly a few who had taken part in plotting the famous Soviet's Five-Year Plan.

Then, on the way to the World Economic Conference T. V. Soong took his opportunity to enter into a further step with the League to the effect that a technical constructive commission was organized under the League for the purpose of launching immediate assistance to China. On July 18, 1933 the latter commission held its first conference in Paris. Mr. Soong and Dr. Wellington Koo took part in the conference on behalf of the Chinese government. Representatives were also sent by the governments of England, France, Germany, Spain, Czecho-Slovakia, etc., to participate. The United States also had a hearing at the meeting. The conference was concluded with Dr. Rajchman appointed as the technical 'link' between the League and China. His mission as the 'link' would be to transmit to the Chinese government all information concerning the activities of the League's Technical Organization so as to furnish references to China for the construction work. In turn he would also inform the League of all that China would need from the latter upon the request of the National Government. His tenure of office would be one year, and his activities would be strictly confined to technical advice. He would assume his office in Nanking, and all his expenses including his personal compensation would be provided by the Chinese government. Thus he left Geneva on September 8th, for the fourth time to come to China, this time carrying with him the responsibility to inaugurate the scheme of a solid program toward lifting the Far East situation to prosperity through the economic reconstruction of China.

Why China Depends on League

The act on the part of China to choose particularly the technical experts through the League was not incidental. So far as technical experts are concerned, China could very easily employ by herself the best trained men along all professional lines from different parts of the world to render services in the constructive work, and no one could deny their ability as incomparable to those sent by the League. The reasons why China must choose the League are three fold. First, the League is experienced. It is not the organization of specialists of the League that has convinced China, but that her achievements had been perfectly evinced in Austria, Bulgaria, Esthonia, Greece, etc. Secondly, the League is a medium. To handle this Herculean task with the shortest possible duration, China needs all the essence of the world's technical knowledge, and it is only the League who could assort all the best together. At the same time the League will, with its survey made in China, supply information to different Member States so that a constant communication between the different States and China would lead to a real international co-operation, thenceforth to salvage the world-wide suffering. Thirdly, the League is an indifferent party. She demands no reward. In fact she is not an organization of the 'nations' category. She may be dominated by a few stronger Member States but she is in no position to help any member for selfish purposes. Should China choose a definite nation or nations to help to do the work, complications would undoubtedly arise soon or later. For no one gives away something for nothing, and it is the fundamental intention and the nature of the aid only that is to be looked to.

The aid to China as had been repeatedly and carefully made clear by the League and other concerned parties should only be technical advice, without implying the slightest trace of political meddling. And the work of Dr. Rajchman and his fellow colleagues will be limited to conducting an investigation in China for the period of one year at the termination of which he would submit to the National Government a complete report and an annexed plan on how to proceed to work out the constructive program.

We may anticipate the result of Dr. Rajchman's aid to China in three possibilities. First, China had laid aside a huge sum of capital ready for the execution of the construction plan, and when the League's experts show the way would go right ahead with the work immediately. Second, China had no capital available. The League, having found China a hopeful place for economic development and that the conditions for the developing were ready, would go back to Europe, tell all the waiting parties to begin investing in the oriental prospect, and the League itself would act the two-sided responsible part and would stand between China and the investing nations to see that the co-operation is carried out on a mutually beneficial basis. In this connection the League might repeat the act she had enforced in Austria by giving authorization to issue bonds in order to obtain the necessary funds for the constructive work. The third possibility would be that China had no capital, and the League also found it difficult to convince any party to go into the business, or to raise the funds through other means because of the complications of the situation. In that case the plan will remain to be a bunch of papers and the League's worthy intention and effort would amount to nil, and China, that poor old nation, would slip downwards swiftly to corruption.

The above three possibilities show us two predetermined factors without which the economic construction plan would be a total failure. The first is that the constitution of the place to be developed must be ready. In other words there must not be floods, famine, banditry, foreign marauding, or any other natural and political disturbances, and those that are responsible for carrying out the work must be persons with outstanding ability and absolute integrity. The second factor is that there must be laid aside a certain amount of capital which shall in no case be shared for other purposes. To this end we may refer to the National Economic Council which was established following the proposal made by the government leaders so as to produce a unique organization to facilitate the co-operation between the League's Technical Commission and the Government of China. The Council sees that this important work can be carried out effectively only by starting the program from a small area and along a limited scale so that all efforts could be concentrated in this designated portion of land and to make the best out of it. With this place firmly established and completely industrialized, the scheme is to be extended to other regions in a from-one-to-all manner. This idea is very essential in that the responsibilty of the National Government at present extends to too great an area. Politically as well as economically it could not possibly reach its power to the boundaries and cover the whole vast area, especially in view of the financial straits in which the nation finds itself. An attempt to set the whole nation afire by the adoption of a western industrial life all at once would therefore bring about a general fuss which would end in a perfect collapse. The Yangtse valley may be chosen as the first destination of the reconstruction.

The Council also sees that this work is very urgent

as well as important. Therefore it has its unique organization that the members of the Council include the executive personnels of the different Ministries. When a plan is drafted out by the Council, and considered to be of the first urgency, such plan will be handed over to the responsible member, who, in the capacity of his executive position will be able to carry it out without delay.

As for the financing of the reconstruction the Council originally decided to extract the fund from the national income, which is quite impossible. Then, Minister, T .V. Soong started his single-handed world campaign. Partly due to his personal ability and partly due pagn. Partly due to his personal ability and partly due to the good record achieved by the Kuomintang under the leadership of General Chiang Kai-shek, the world was convinced of the capability of the National Government, wherefor Mr. Soong was able to obtain G$50,000,000 loan from the United States in the form of wheat and cotton. He told his country of his confidence in a very encouraging statement on his returning to China. That statement was that if China had really decided to rebuild herself, all the world's wealth and intelligence were at her disposal. This remark was no bluff at all, for Mr. Soong was quoting facts. All his fellow countrymen need to do now is to follow him with a single devotion in the renascence of China, and we can be sanguine of success. Any doubt of the present scheme may bring disaster to the country, for, one plan, however unsound, is better than too many plans which are liable to produce no result—tantamount to no plan at all; but, the Nipponese will not wait too long.

Productive Power Must Be Increased

Now that everything seems to be ready for the start off, excepting two things. We have secured the fund which is at least enough to get the program started. We have decided to begin from a small area on which we could have full control, therefore banditry is not possible to infect the place. We have a also special group of devoted experts to do the guiding. So that there are left only two misgivings which could cause the upsetting of the whole plot. One is natural calamity, the other is our east neighbor. For the former, it is beyond human effort to resist against Providence, if he should want to splash water around and stop the crops from growing. But to deal with the latter there is every tactic to be employed. It remains for the wise diplomats to tackle the case. "Mono-principle and polysided" foreign policy might be one among other suggestions.

We may venture so far as to anticipate the aftermath of the economic reconstruction. It is understood that to help to develop China means to benefit the world, and the world can only be benefited when outlets for its manufactured goods and other productions are created. China has been figured as the greatest outlet to be created now; which means that the 450,000,000 Chinese people must be taught to spend. The aim is to raise their living standard, through industrial reconstruction, so that they know how to spend money and live in the modern materially comfortable way. Now, suppose they had learned everything of a modern living, which is certainly easy to learn, and can no longer be satisfied again with their old style. Then it is to be questioned whether they can afford it or not. According to the present condition evidently they cannot. Eventually their purses, which are none too promising, will be emptied, and the outcome then can be easily foretold. For in other countries there is too much to consume, but in China not enough, so that the two different parties are confronting two exactly different problems. In the case of the former, all that is needed is redistribution. But in the case of China, the first need is not to raise the standard living, but to increase the producing power of the people. When they produce more, they will earn more, hence spend more. Then the surplus of other countries can be consumed by them. China has not enough to spend. To teach her to be extravangant, would be tantamount to suicide. But if she were taught to produce, she will be the savior of the whole world. Therefore the first aim of the economic reconstruction must be directed toward increasing the producing power of the people.

Out of the various fields to be developed—covering health, industry, commerce, finance, transit and communication, agriculture, education, etc.,—there are to be picked out two subjects the adjustment of which primarily would mean the success or failure of the whole plot, and these two subjects are agriculture and industry. To carry out the economic reconstruction program, one must

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be far-sighted. The three-fourths of the total population who are peasants must be fixed up first. The whole country will probably become as badly off as Kiangsi if the industrial development should come before agricultural reconstruction.

Bandits Active in Western Honan

(From the Review's Correspondent at Kaifeng)

In recent days the bandits in West Honan have become exceedingly active. One of the notorious ringleaders named Chao Yuan-ho, who has gathered together more than a thousand well-armed followers, announces that he has been appointed by the People's Government at Fukien to carry on an anti-Nanking Government in Honan. Four spies of the bandit general discovered at the capital of Yiyang Hsien, confessed that they had been appointed by him.

Since the outbreak of the Fukien revolt, all the military leaders, in the province, have issued circular telegrams appealing for support for the Central Government, in suppressing the Fukien rebels.

On December 4, a mass meeting to oppose the Fukien revolt was held. More than 5000 people, including all students of the local various schools, were in attendance. At the meeting four resolutions were adopted: (1) Telegraph Lin Sien, Wang Ching-wei, and General Chiang Kai-shek, to issue orders to suppress the Fukien revolt immediately, (2) telegraph the military leaders of Hunan, Chekiang, Kwangtung, and Kwangsi, requesting them to attack the Fukien rebels, (3) issue a circular telegram, requesting the people of the whole country to support the Central Government and unite in suppressing the Communists and the revolts, and (4) issue a telegram to comfort General Chiang Kiang-shek, and the military leaders at the Kiangsi front.

In an interview, General Liu Chih, chairman of the province, declared that the Fukien rebels would soon collapse.

Rivers to Be Improved

The Provincial Government plans to improve the following five rivers: Lo River in West Honan, Wei River in North Honan, Pei River in South Honan, Sha River in East Honan, and Hwei Chi River in the vicinity of Kaifeng. The total expenditure approximates $4,800,000; $3,000,000 will be raised by the local Provincial Government, and the rest, alloted by the Economic Commission at Nanking. The engineering bureau will be organized with the National Economic Commission, the Government Salt Bureau at Kaifeng and the Reconstruction Ministry of the province.

On December 2 and 3, the general course of the Yellow River abruptly swept towards the southern dykes, at Hekangkow, 25 li north of Kaifeng city. Several dams were entirely washed away. According to Chen Ju-chien, head of the Yellow River Concervancy Bureau, the danger from the Yellow River next year will be much more worse than this fall.

According to Chang Han-ying, chief secretary to the Yellow River Commission, the dykes along both sides of the river are now being surveyed in order to ascertain what work is needed.

Marquis Li Accuses Gen. Chen Ming-shu in China Merchants Scandal

A letter from Marquis Li Kuo-chieh, formerly managing director of the China Merchants' S. N. Co., to Chu Chia-hua, the Minister of Communications, dated November 13, published in the Nanking *Central Daily News* Dec. 11, alleges that General Chen Ming-shu, who was Minister of Communications when the loan between the China Merchants' and the China Realty Company was concluded, demanded, through Marquis Li, a sum of $700,000 from the latter company as the price of his consent to the deal. The sum, the letter continues, was obtained in the name of the China Merchants' Company, but subsequently turned over to General Chen through Chen Fu-moh, then superintendent of the China Merchants'.

"China Forum" Not Communist Party Organ

H. R. Isaacs, editor of the *China Forum*, writes to say that the statement, made in *The Review* December 2, that the *Forum* is the official organ of the Chinese Communist Party, is not correct. Mr. Isaac says his paper is certainly sympathetic to Communisin, but is no party's organ.

WHY THE MONGOL WANTS AUTONOMY

(Continued From page 125)

with a body guard of 180 soldiers in three trucks and three armored cars.

On arrival he found little cause for nervousness for his bodyguard proved to be the biggest single military force at this famous lamasery. The Minister then had the good sense to show the Mongols that he trusted them. Leaving his trucks one side of the river he crossed over and took up quarters within the lamasery next door to the Panchen Lama.

Discussions proceeded smoothly although the Mongols were surprised by the liberality with which the Nanking authorities distributed gold watches among them not to mention machine guns, plenty of these in three well-known English makes, Hotchkiss, Maxim and Lewis.

But there was little room for negotiation. Convinced that justice lies with them the Mongols are united and determined. They ask only freedom to govern themselves as a loyal member of the Republic of China. They ask that China stop the movement which in time will exterminate them if carried to its logical conclusion. If China refuses then they will try the experiment of Manchukuo. They don't want to but needs must when the devil drives and rather than be exterminated they will try to gain their ends through Manchukuo if not through China.

Peiping, December 11, 1933.

British Ex-Missionary Attacks Foreign Missions

Christian missions in China were severely criticized by the Rev. Raymond Young when he preached, as an unemployed minister, in a cinema at Deal, England recently. He spoke of the financial burdens imposed upon Christian people by the churches in support of foreign missions. He said, that from England alone £2,250 000 was subscribed annually to foreign missions. Much of that sum, so he said went to pay fat salaries to thousands of missionaries who only pottered around and the rest spent their time educating the youth of the Orient, and giving them a higher standardof education than that received by wage-earning church members at home. Mr. Young said that he had been one of the 6,000 missionaries in China, and he knew what he was talking about.

"From all this," he concluded, "you will realize what a misfit I was in the church."

Mr. Young resigned from his post as minister at the Congregational church at Sandwich, Kent, because he said that his occupancy of the pulpit was an embarrassment to the church.

Lancashire Adviser Appointed for Canton Cotton Mill

Harold Briggs, of Oldham, England, has accepted an appointment as technical adviser to the Government of Canton in the building of cotton mills. Mr. Briggs will come to Southern China as the Government's expert guide in the first steps towards industrialising a part of the world where the factory system has as yet made little headway. The first mill will be equipped for spinning, doubling, and weaving. The order for the machinery has been placed with Platt Brothers, Ltd., of Oldham.

In an interview in Manchester Oct. 23 Mr. Briggs said the avowed aim of the Cantonese Government is to meet Japanese competition, but the *Manchester Guardian* sees in the venture a new threat to Lancashire's positon. The orders placed with the above-mentioned British firm by the Cantonese Government include machinery for two cotton mills and one woollen mill. The order for the first mill, which is now being built, includes 10,000 ring spindles, 1,200 doubling spindles, along with apparatus fon opening, cleaning, carding, warping, &c. The machinery for the woollen mill includes 1,000 medium spindles, along with the preparatory machinery for scouring, carding, and so forth.

China's Draft Constitution to Be Ready by 1935

Sun Fo, President of the Legislative Yuan in briefly reviewing the work of the Legislative Yuan at a meeting at Nanking, Dec. 6, celebrating the fifth anniversary of the founding of the institution declared, that for the past year, the members of the Legislative Yuan had been sparing no time and energy in their task of drafting a constitution for the government. The final draft, he said, would soon be submitted to the National Government for approval. The Government, he said, would be able to submit a draft constitution in April, 1935, to the National People's Assembly for adoption.

Who's Who in China

Tang Yu-jen, Government official: son of Tang Chai-Chang, one of early Kuomintang martyrs; born at Liu-yang, Hunan, 1893; studied public finance in Keio University, Japan, and graduated from that institution in 1919; director, Department of Economic Research, Bank of China, since 1921; also served as technical expert to the Tariff Conference, Peiping, 1923-4; President, Hupeh Provincial Bank and concurrently Director of the Hupeh Provincial Treasury, 1928-9; elected reserve member, Central Executive Committee, Kuomintang, December, 1931; Secretary-General, Central Political Council since February, 1932; concurrently member of the Legislative Yuan; appointed Administrative Vice-Minister of Foreign Affairs, August, 1933; address, Secretariat, Central Political Council, Nanking.

唐有壬
Tang Yu-jen

唐有壬，現年四十歲，湖南瀏陽人。民國八年，卒業日本慶應大學理財科。歷任關稅會議專門委員，湖北省銀行行長兼湖北省金庫長，及中國銀行總管理處調查部主任等職。民國二十年冬，當選中國國民黨候補中央執行委員。現任中央政治會議秘書長，立法院立法委員及外交部常務次長。通訊處：南京中央政治會議秘書處。

Can't Hoard Gold So They Store Away Silver

(Time Magazine, Nov. 13)

Last week the price of silver on the Manhattan Commodities Exchange reached 40⅞cts., the highest in three years. Of last year's world production of 160,000,000 oz., 102,000,000 oz. were mined by six U. S. companies (American Smelting & Refining, American Metal, U. S. Smelting, Cerro de Pasco, Anaconda, Phelps Dodge) who dig silver as a by-product of copper mining. Most of the U. S. output is usually exported to China and India. Normally stocks of silver in Manhattan run from 2,000,000 to 10,000,000 oz.—most of it awaiting shipment. Last week it was estimated that stocks in Manhattan amounted to 100,000,000 oz.

Rumors have had heavy trucks rumbling through Manhattan streets at night carrying the purchases of big silver hoarders to banks for storage. Silver is no hedge for piddling hoarders for it is traded in lots of 25,000 oz. costing, at last week's prices, over $10,000 a lot. Part cause of heavy speculation in silver is hope or fear that President Roosevelt may add monetization of silver to his inflation schemes.

Whether speculating in silver will prove profitable depends on numerous factors: for several years the world price of silver has been slumping. Last week's U. S. price of 40⅞cts. an oz. if recalculated to allow for the 35% discount of the dollar in foreign exchange represented a world price of only 29cts. (compared to an all-time low established last December of 24¼cts). If silver after large abnormal purchases in the U. S. is only 5cts. above the all-time low in the world market, it may slump even lower when U. S. demand drops back to normal. But if the dollar slumps further than the world price of silver, silver hoarders will be able to show a profit in dollars.

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Starting at Peping, the ex-capital of China, called the most interesting city in Asia, with its intricate systems of walls, its Imperial palaces and its beautiful temples and tombs the Peping-Liaoning Line goes down to Tientsin, the great port of Chihli, and from there swings in a wide circle on its pathway to the north. From Lanchow to Chinchow the railway follows the line of the Gulf of Chihli, passing through Shanhaikwan, where the Great Wall ends at the sea, and thence on to Mukden, the ancestral home of the Manchus, a city which vies with Peping in its splendor of palaces and temples and ancient shrines.

Through tickets are issued and passenger's baggage registered through between the important stations on the Peping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peping-Hankow Railway and with the Peping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

IMPORTANT NOTICE

Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

Peping-Liaoning Railway

Head Office

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No. 2

Men and Events

Senator Honnorat, of France, arrived in Peiping Dec. 9 from Nanking.

A German-Swiss-Austrian Returned Students' Club is shortly to be established at Nanking.

Abraham Gartman, representative of Moscow *Pravda*, arrived in Shanghai last week and will be stationed here permanently.

The Afforestation Planning Committee of the Central Agricultural Experimental Farm at Nanking was formally inaugurated Dec. 9.

A recent report that T. V. Soong is going to Szechuen shortly has been categorically denied in circles in close touch with the ex-Finance Minister.

Dr. W. W. Yen, Chinese Ambassador to Soviet Russia, passed through Berlin Dec. 11 on his way to London to see r. Wellington Koo and Quo Tai-chi.

An English weekly newspaper, the *Nanking Recorder*, commenced publication in the Capital Dec. 5. K. M. Steiner, an office appliance dealer, is the editor and publisher.

The sentence of death on Katherine Hadley, convicted murderess of Clifford Youngs, was commuted to life imprisonment by Sir Miles Lampson, British Minister to China, Dec. 11.

J. F. Chapman, who resigned his position as Third Secretary at the American Legation in Peiping sometime ago, has joined the Chinese Government Salt Revenue Department.

Viktor Mussik, correspondent of the Prague *Venkov*, arrived in Shanghai during the week, enroute to South China to report the Fukien revolution for the newspaper which he represents.

The Nanking Rotary Club held its first business meeting Dec. 7 when Dr. Fong Sec, a past-president of the Shanghai Rotary Club, and Mr. Howland, secretary of the Rotary International, addressed the meeting.

The *China Times* says the signature of the Sino-French-Annam Treaty of Commerce has been indefinitely postponed with the departure of M. Wilden, the French Minister, who sailed for France on holiday December 10.

Francis Ayscough of Leicestershire and Shanghai, died at his home in England Dec. 7. Mr. Ayscough was the husband of Florence Ayscough, for many years librarian in the North China Branch Royal Asiatic Society, Shanghai

Ah Wing, the house coolie who made a murderous attack on Mrs. H. J. Hunter with a kitchen knife on November 30 at Hongkong, was taken into custody Dec. 7 at his native village of Mun Tong, 100 miles inland from Kongmoon.

A recent message from Rome intimated that Monsignor Constantini, who until recently was apostolic delegate to China, would probably be included among the seven new cardinals which the Pope will create before the conclusion of the Holy Year.

Students belonging to the Nerother Students' Theatrical Company, under the auspices of the German Society of East Asiatic Art, performed three acts of the old Chinese play "Pi-pa-ki" ("The History of a Lute") in Shumann Hall, Berlin Dec. 7.

The tomb of Prince Kung, one of the best known figures during the reign of the Empress Dowager of the Manchu Dynasty, was found looted last week by robbers at Malanyu. The dead body was found badly mutilated, and all the treasures inside stolen.

The death took place at the General Hospital in Shanghai Dec. 9 of Harold Walter, the commercial editor of *Reuters*, Ltd., after a brief illness. Mr. Walter joined *Reuters* at the age of 15, thirty years ago, and had remained with them ever since.

Katsuji Debuchi, Japanese Ambassador in Washington, passed through Honolulu, Dec. 5, on his way back to Japan. In an interview, he said that the revision of the immigration law restricting the entry of the Orientals into the United States will not be realized so soon.

United States Marines are being detailed for duty as armed guards on Yangtsze River steamers of the Yangtsze Rapids S. S. Co. and the Socony-Vacuum Corporation, in compliance with orders issued by Admiral J. D. Wainwright, commander-in-chief of the Yangtze Patrol.

Maxwell M. Hamilton, Assistant Chief of the Far Eastern Division of the Department of State, arrived in Shanghai last week on a tour of the Far East. He is accompanied by Mrs. Hamilton. Mr. Hamilton was formerly connected with the local American Consulate-General and for a time served as assessor in the Mixed Court.

Mrs. M. C. Hale, president of the China Society in New England, and Miss Berry, secretary to the society, were guests of honor at a function given Dec. 9 at the Chinese Y. M. C. A. Building under the auspices of the China League of International Cultural Relations.

The property of Bernard Weiss, the Socialist ex-vice president of the Berlin police, has been confiscated. The value was 4,000 marks. It is persistently reported in Berlin that Weiss recently left Paris for Shanghai following an offer to "reorganise the Chinese police."

Paul F. Kops, formerly connected with the Shanghai office of the U. S. Commercial Attache, has joined the law firm of Allman and Company with offices in Hamilton House. Mr. Kops is a graduate of the law department of George Washington University and is a native of North Dakota.

The total population of Shanghai for October, including the Chinese city, International Settlement and the French Concession is 3,316,379, according to the latest census returns compiled by the Greater Shanghai Municipal Bureau of Public Safety. 3,252,626 are Chinese and 63,753 foreigners.

An American named Jack Bradley, who came to Shanghai about eight months ago as a marine engineer, was arrested Dec. 8 and is to be brought before the U. S. Court for China on a number of charges of committing burglaries, the principal object of which was to carry away typewriters.

The hearing of A. V. Morrison's appeal against the judgment of the First Special District Court in dismissing his private criminal prosecution against the manager and five other employees of the local office of the Centrosojus (England) Limited, look place before Judge Kiang in the Second Branch of the Kiangsu High Court Dec. 9 and 14.

The Phi Beta Kappa Association of East China held a dinner at the Bankers Blub, Shanghai on the evening of Dec. 7 on the occasion of the third annual meeting of the Association. Dr. H. C. Mei, Columbia '11, presided at a brief business meeting. Dr. Esson M. Gale, Michigan '07 was elected President; Dr. John Y. Lee, Chicago '07 vice-president.

Professor Vincenz Hundhausen, professor of literature at Peking National University, was a visitor to Shanghai during the week. He had been called to Nanking by the German community there, to assist in the production of "The Virtuous Young Lady," translated from "Hsi Hsiang Chi," the oldest and most esteemed of Chinese classical dramas.

A recent telegram from Honolulu announced the engagement of Mrs. Ruth Schuman, wealthy widow of a Honolulu financier, to Perry G. Hutton, Oklahoma City aviator, who until recently was personal pilot for General Chang Hsueh-liang. The marriage will take place after New Year. The couple intend to come to China on a combined honeymoon and business trip.

Dr. Franziska G. Halpern, expert in neurological diseases, has arrived in Shanghai and will be associated with the Chinese National Medical College Red Cross Hospital where a department of Neurology and Psychiatry is being established. Miss Halpern was a student of the well known Viennese neurologists Pootzle and Jauregg. The courses and clinical department in neurology and Psychiatry at the Red Cross Hospital are the first to be established in China.

Nelson T. Johnson, American Minister to Chinae arrived in Nanking Dec. 9 from Shanghai. He was th, guest at a dinner given by Hsu Mo, Political Vice-Minister of Foreign Affairs. Among those who entertained Mr. Johnson during his stay in Shanghai was Mayor Wu Teh-chen, who gave a dinner at his official residence 1881 Avenue Joffre. Before leaving Shanghai Mr. Johnson saw M. Bogomolov, the Russian Minister here, this being their first official meeting since the Soviet Government was recognized by the United States.

Julius Kahn, president of the Truscon Steel Company who has been in Japan for several weeks returned to the United States on December 5. While it was reported that the purpose of Mr. Kahn's trip to Japan was to sell the company's subsidiary, the Japan Steel Products Company, to Japanese interests no announcement on the subject has appeared in the Japanese newspapers either from Mr. Kahn or R. F. Moss the manager in Japan. Several months ago the Japanese brought pressure on the company in an attempt to compel the management to appoint Japanese to the high directorate, the Japanese object being to ultimately force the sale of the company to Japanese interests which are promoting a large corporation to take over all iron and steel interests in the country. The Truscon Company also has a plant in Shanghai which is managed by E. A. Silagi, the firm being known as the China United Engineers Corporation.

Curtiss-Wright to Build Airplane Factory in China

It was announced in Buffalo, N. Y., Dec. 9 that the Curtiss-Wright Corporation is planning to build a $5,000-000 airplane factory in China. The Chinese Government, it was stated, has agreed to assist in financing the factory and in the disposal of the output. In the early stages parts and material will be shipped from the United States, but later only motors made by Messrs. Patterson's will be imported.

The South-West People's Air Transport committee Dec. 6 decided to inaugurate two air routes in 1934: one between Canton and Lungchow, in Kwangsi, and the other between Nanking and Kweiyang, in Kweichow.

According to the latest Chinese Customs report, the import of airplanes into China up to August 1933 totalled $8,102,000, being six times the value of airplane imports during 1932. Of this sum, $5,634,000 was expended on American planes, $364,000 on German planes and $353,000 on British planes.

Airplane service on the Nanking-Hankow section of the Shanghai-Chengtu Airway was suspended Dec. 9 and 10 due to heavy fog along the Yangtsze Valley.

Great Britain is increasing her air strength at Singa pore to three squadrons. No. 100 Squadron of the Roya Air Force, is now enrote to Singapore. The two squadrons at present in Singapore are No. 36 (torpedo bombers) and No. 205 (flying boats.)

The question of the internationalization of civil and military aviation was raised in the House of Lords Dec. 7. by Lord Allen of Hurtwood, who urged the government to consider taking further initiative at the resumed Disarmament Conference to secure the total abolition of military and naval aviation on the lines of the British draft convention.

The Imperial Airways service from England to Singapore was inaugurated with the departure of the Indian air mail from Croydon Dec. 9.

Governor Murphy Vetoes Philippine Air Franchise

Governor General Frank Murphy Dec. 9 vetoed two bills granting 25-year franchises to the Philippine Aerial Taxi Company and the Iloilo-Negros Air Express Company on the grounds that the franchises conferred an irrevocable monopoly for too long a period. The Governor-General said that the War Department viewed with disapproval the granting of franchises for such a long period as 25 years. In view of the recent efforts of Pan-American Airways to obtain a franchise for operation of a number of inter-Island air lines in conjunction with its proposed trans-Pacific service, the veto of the Governor-General is regarded as favoring the American company.

Air Survey of Tungting Lake to Begin Early Next Year

An official of the Yangtze River Conservancy Commission stated at Nanking, Dec. 7, that the proposed air survey of Tungting Lake, Hunan, was expected to begin early next year. The importance of this work was strongly emphasized in recent telegrams from General Chiang Kai-shek. In accordance with General Chiang's suggestion, the expenses for the proposed aerial survey, estimated at $100,000, will be equally shared by the Hunan and Hupeh provincial governments.

Colonel Charles and Mrs. Lindbergh, landed in Manaos, Brazil, Dec. 10 coming from Para. They took off from Manaos Dec. 11, enroute back to the United Sitates

Japan to Build Huge Air Force During 1934

In preparation for the "emergency" year of 1935 when the Washington treaty expires Japan is planning to spend Yen 70,000,000 during 1934 for military aircraft. The capacity of Japanese airplane factories has been stepped up to 1,000 airplanes per year as compared with only 300 two years ago. The Army and Navy have placed orders with civil firms for the construction of 80 military aircraft, including many heavy bombers, and the standard fighting, pursuit and scouting airships already, and other orders will be placed in the near future. The leading Japanese airplane factories have received heavy orders from the Government.

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New Books of Interest in the Far East

Money and Credit—a German View

Weltwirtschaftliches Archiv.— Zeitschrift des Instituts fuer Weltwirtschaft und Seeverkehr an der Universitaet Kiel.— Juli 1933.

Two main preoccupations, differing widely from each other but both determined by the world-depression, can be noticed today among economists of all nations. The one concerns problems of economic reconstruction and social reorganisation, intimately connected with political ideas and tendencies. The other centers around the monetary difficulties of our present world. Previous issues of the "Weltwirtschaftliche Archiv" had the first of the preoccupations as their principal topic. In the July issue various monetary problems are to the fore. This is natural enough. For to-day not only communistic but also fascistic remodellings of human society are no more a matter for theoretical consideration only, but also and essentially a task of practical politics. There is an athmosphere of expectancy in the world which renders general statements futile, while in Germany at least, it is too early yet to investigate actual developments in a scientific manner.

It would be impossible to summarize in this brief review the investigations concerning monetary conditions and reforms. The highly technical nature of these problems requires a lengthy and somewhat abstract treatment. However, an article by the Viennese economist, Dr. Mahr, should be mentioned. Mahr advocates money of "stable value" as opposed to so-called "neutral" money. Under the latter term several economists—Mahr quotes especially the theory of money of the Viennese professor F. A. Hayek—understand a money altogether independent from the fluctuations of marketable goods. Mahr's "stable money" on the contrary is to be dependent on the prices of staple goods in the United States,—said country being the biggest producer in the world. Other countries in order to stabilize their currencies, would have to adjust them to the USA $. According to Mahr this stability of wholesale prices as expressed in money, would prevent those price fluctuations which must be considered as the real cause of the world depression.

In an article on the importance of credit in modern world economics, Professor Liefmann of Freiburg emphasises the great alteration in the economic structure of the world, The main change according to him is that from an expansive to a stationary form of economy, which will necessarily lead to the much talked off planned economy. But the transition is a painful one, for the capitalism of the 19th century was based on expansion; and the development of credit in particular presupposed this expansion, or in other words an increasing turnover and profit. The fact that these cannot be expected any more in the present stage will mean, according to Profesor Liefmann, a "nationalisation of credit." Each country will have to raise its own capital, to finance its own enterprises; we shall have financial self-sufficiency or "autarchy." This seems to point from a financial angle, to the new order which is commonly designated by the name of "fascism."

Fascism itself is discussed in the present issue of the "Weltwirtschaftliche Archiv" in an interesting though short and somewhat light article by Professor Amelia Dainielli of Florence. She boldly affirms that the conflicting requirements of freedom and authority, of economics and politics, of the individual and the state, are all satisfied through the "corporative social economy" provided by Italian fascism. This new system, according to Professor Dainielli, is bound to be the ruling one through the next hundred years. For the state cannot afford any more to disinterest itself from the process of production. The liberal idea that the free play of individual interests must naturally lead to the best social order has proved a fallacy.

The theoretical problem which stands behind the evaluation of the various and conflicting economic theories current nowadays seems to be seriously considered in a pamphlet by Ernest Minor Patterson called "World Economics" and mentioned in the book review. Mr. Patterson raises the question whether the traditional liberal and Anglo-Saxon economic science presents methods and standards adequate to cope with the new political and economic theories of the present world. Here the fundamental problem is touched upon; that of ultimate values in human life which, within certain limits set by human nature, are felt to be different according to the great changes in the historical situation of mankind.

L. U. S.

Rhymes From Far Places

Chinese Rhymes for Children, translated by Isaac Taylor Headland; Fleming H. Revell Company, New York, 1933. Illustrated. 156 pages.

Professor Headland gives us another volume of Chinese rhymes and assures us that he has in his possession the Chinese text for each one.

The illustrations are presumably by a Chinese but some of them look more foreign than Chinese. We showed the book to a Chinese woman friend who is an American University graduate and she laughed with us over the "two-roomed cottage 'mong the mountains and the trees". It does not resemble a Chinese cottage in any particular save that it has a roof, a door and a window. In the picture each of these parts is Occidental, not Oriental.

Some of the rhymes are of the Mother Goose variety; others are for older children, both boys and girls. We find the same method used in several of them that we ourselves use in "The House that Jack Built". The tale goes on with a constant repetition of detail which is so pleasing to children the world over. Humor is found in abundance and a number of the verses are pure nonsense. We give a few examples from different parts of the collection.

"A crab I heard cackle just like an old hen,
And a goose from a tree-top flew by like a wren.
In the heart of the river a rabbit I found,
And a shellfish on top of the hill on the ground."

"She cracked her pickle crock
And she didn't know what to do;
She called a man to mend it
But he broke the thing in two.
He bought another crock
Which he brought to her and gave her,
But she said in it her pickles
Would lose all their flavor."

Finders Keepers
"The duck may quack,
And the cock may crow;
But finders are keepers,
Of course, you know."

To My Baby Boy
"The tree leaves are green
And they are growing fast,
When you are full grown
You'll be a big boat mast.

The tree leaves are yellow
And they begin to roll,
When you have grown old
You'll be a big ridge pole."

The following is part of a tale concerning a frugal couples:—
"The sun it sets and rises
Each day in west and east.
They shut their door that couple
And ate their scanty feast.
A fly flew in and carried
A rice grain from their till,
At once this frugal couple
Pursued him to the hill."

Professor Headland regrets that more children's rhymes from far-away places have not been offered to our English-speaking youngsters and we agree with him. These rhymes show how our folk lore approaches the same origins. No matter where we go we find certain sayings, certain methods used for telling stories to children and for children's rhymes. This book is a good one to give to our foreign children wherever they are found. It will help to make the children realize the common humanity of Orient and Occident. Rhymes may draw us together just as well as other means, perhaps better than some more dignified and rigid conventions.

G.B.S.

Default on Tientsin-Pukow Railways Loans Discussed in Commons

A. C. Moreing, Conservative member for Preston, raised the question of the default on the Tientsin-Pukow Railway loans in the House of Commons Dec. 11. Replying Sir John Simon, said he believed that one or two payments had been made into a special reserve account for the eventual liquidation of the loans, but they were insufficient to make the position in any way satisfactory.

DO YOU ENJOY GETTING UP?

Were a census possible, probably the number of people who could truthfully answer, "Yes," to this question would be very much in the minority. Yet the really healthy person has no difficulty in early rising, provided that bed has been sought at a reasonable hour the night before. Those who after eight hours sleep awake unrefreshed, disinclined to rise, and lacking in zest for a good breakfast and strenuous day's work, have reason seriously to consider their state of health—there must be something wrong somewhere, and usually it is in the condition of the blood and nerves. Rich, red blood is one of the fundamentals of a healthy constitution; when the blood is thin, watery, impure, sleep ceases to refresh, restless nights and bad dreams take its place, and that tired, exhausted feeling is the inevitable result.

To the 'Don't want to get up!—is-life-worth-living?-victim Dr. Williams' Pink Pills, the world's most famous blood and nerve tonic, afford just the treatment needed. By rapidly purifying and enriching the blood, and at the same time creating a plentiful supply of new, red, revitalizing blood, they build up the nerves, restore strength and vigour. Chemists everywhere sell Dr. Williams' Pink Pills. Just give them a few days' trial, and see how well and fit you will begin to feel and how much you will enjoy your nightly sleep.

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No. 384	Rice	G. U. 1.00 per picul
	Paddy	„ 0.50 „ „
„ 395		„ 0.30 „ „
„ 338		10% *ad valorem*
„ 357		G. U. 0.75 per picul

Import duty will also be levied at Shanghai as from the above date on all foreign rice and paddy imported from Kwangtung, Kwangsi and Fukien provinces.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 13th December, 1933.

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Mystery Surrounds Sinkiang Situation, Gen. Sheng Seeks Soviet Support

The situation in Sinkiang is being shrouded in mystery as a result of the sudden turn of events in that province following the overthrow of Gen. Sheng Shih-tsai from his position as Border Defence Commissioner and the emergence into power of the Mohammedan Commander, Gen. Ma Chung-ying who has recently wrestled the control of Tihua, Capital of Sinkiang, from Gen. Sheng. Despite the mass of reports in the press, the real situation in Sinkiang has still to be clarified, as the Government has neither heard from Gen. Sheng, nor Gen. Ma nor Liu Wen-lung, Chairman of Sinkiang. The lack of official information from Sinkiang is generally attributed to the possibility that Gen. Sheng might have carried away the only radio equipment from Tihua to prevent its falling into the hands of his opponents and being utilized by them. On the other hand, reports are freely circulated in the papers that Gen. Sheng, in an attempt to stage a come-back, has concluded a secret agreement with Soviet Russia, whereby the Soviet authorities are to supply Gen. Sheng with arms and ammunition and war funds, while Gen. Sheng agrees to cede Tachen to Soviet Russia. Meanwhile, it is also reported that the munitions exchanged under the agreement have been seized by some hostile Chinese forces, probably the former Manchurian troops now stationed in the Sinkiang-Soviet border.

However, on Dec. 11, the Soviet *Tass* Agency officially denied the report, published by the Shanghai newspaper *Chen Pao*, alleging that the Soviet Government concluded with the Sinkiang provincial Government an agreement providing for a concession of Chinese territories to the USSR. The dispatch stated that the policy of the Soviet Government consists in maintenance of inviolability of China's territories, and in respect for the sovereign rights of China, characterizing the report by *Chen Pao* about the non-existent agreement as an obviously provocative fabrication.

Being in control of the sole means of telegraphic communication between Sinkiang and the rest of China, Gen. Sheng has recently been prosecuting a vigorous campaign of vilification against Gen. Ma Chung-ying. In all the recent telegrams to Nanking prior to his defeat at Gen. Ma's hands, he has consistently labelled the Mohammedan leader as "a bandit chieftain," whereas the latter has been and is still a member of the Sinkiang Provincial Government. The effects of Gen. Sheng's bitter words, however, has considerably lessened since the return of Dr. Lo Wen-kan from Sinkiang. Those who accompanied Dr. Lo during his journey there have expressed the opinion that Gen. Ma's forces, far from being bandits, are probably the best disciplined troops in Sinkiang. Furthermore, first-hand information seems to suggest that Gen. Sheng is really the party who has scorned Nanking's intervention.

Meanwhile, it is reported that Nanking has decided to take drastic actions to cope with the situation in Sinkiang. Although Gen. Ma Chung-ying is now in full control of Tihua, which he captured Dec. 4, the Government has no intention to appoint him Chairman of Sinkiang. Instead, it is learned that the Government has decided to appoint either Gens. Ma Chan-shan or Su Ping-wen or Li Tu to that post.

A telegram from Peiping Dec. 7 stated that the various public bodies in Tihua have sent a joint telegram to Government, urging the appointment of Gen. Ma Chung-ying as chairman of Sinkiang. As Gen. Ma is in complete control of Tihua, the present chairman, Liu Wen-lung, is virtually a prisoner under him. The whereabouts of Gen. Sheng Shih-tsai is unascertainable, but it is reported that he has fled to the border and is planning to start an attack on Tihua. A large number of Gen. Sheng's followers are reported to have been brutally murdered by the Mohammedan troops, following the disastrous defeat of his troops during the fighting in the outskirts of Tihua.

A *Tass* report from Moscow Dec. 9 stated that according to information reaching there from Alma-Ata (Soviet Kazak repubic), the military governor of Kuldja (Hoiyuan), Chang Pei-huang, commanding the troops of north-western districts of Sinkiang, has declared himself against the Provincial Government appointed by the Nanking Government, and sent Kuldja troops to seize the capital of Sinkiang, Urumchi (Tihua). In a proclamation issued to the population of Sinkiang, General Chang declared that he concluded an agreement with the Dungan (Mohammedan) troops led by General Ma Chung-yin. The agreement refers to the division of Sinkiang. General Chang's move strengthens the position of Ma Chung-yin who is connected with the Japanese machinations in Sinkiang, and demands that that province be turned into an "independent" state. However, the Urumchi (Tihua) troops overpowered and inflicted a serious defeat upon the Dungan army units which attempted to occupy the town Manas (Sui Lai).

A further report by the *Tass* Dec. 11 stated that the Kuldja (Ningyuan) troops of Gen. Chang, who revolted against the Sinkiang provincial Government, encountered an energetic resistance from the troops of Chuguchak (Tacheng) district, remaining loyal to Urumchi (Tihua) governor, Shen Shih-tsai. According to the latest reports, the vanguards of Gen. Chang's troops which were dispatched by him toward Shiho (on the road to Tihua) were defeated by the Tacheng regiment, and retreated in the direction of Ningyuan. Dissatisfaction at Chang Pei-huang's revolt is spreading among the population of Ningyuan district.

The resignations of Gen. Ma Lin, Chairman of the Kokonor (Chinghai) Provincial Government, from his concurrent post as Provincial Commissioner of Civil Affairs; and of Lieut.-General Ma Pu-fang from his substantive post as member of the Kokonor Provincial Government have been accepted by the Extentive Yuan. Tan Ko-min was appointed member of the Kokonor Provincial Government and concurrently Provincial Commissioner of Civil Affairs.

***

Tibetan-Sikong Clash Confirmed at Nanking

The report that Tibetan troops have started another invasion of Sikong and that fighting has already broken out between the Sikong troops under command of Gen. Liu Wen-hui and the Tibetan forces, has been confirmed in government circles, despite the persistent denial of that fact by the Dalai Lama's representatives at Nanking. The Mongolian and Tibetan Affairs Commission has sent an urgent telegram to the Dalai Lama and Gen. Liu Wen-hui, instructing them to cease hostilities immediately and to wait for further instructions from the Government, reports from Nanking Dec. 5 stated. In the meantime, the Government is considering sending another high commissioner to Sikong to mediate in the difficulties between Tibet and Sikong.

A meeting for the discussion of measures for the settlement of the Sikong-Tibet dispute was held Dec. 6 between Shih Ching-yang, Chairman of the Mongolian and Tibetan Affairs Commission, and the representatives of the Dalai Lama, Kung-Chia-Chung-ni and A-Wang-Chien-tsan. The meeting decided that the Dalai Lama be asked to use his good offices to stop military activities against Sikong.

Mr. Shih is reported to have drawn up measures for mediation in the dispute. According to tentative plans, the Tachin Monastery and Chinko Monastery in Sikong shall be restored to the control of the Tibetan Lamas and the Chinsha River shall continue to be regarded as the boundary line between the Tibetans and the Sikong forces.

The Mongolian and Tibetan Affairs Commission just received a report from Chinghai to the effect that the Tibetans had established several customs stations on the Chinghai-Tibetan border to collect duties on goods going into Tibetan territory. The Government has telegraphed to the chairman of the Chinghai Provincial Government instructing him to take up the matter with the Dalai Lama.

According to a report received by the Government Dec. 11 from Gen. Ma Piao, Defense Commissioner in Southern Chinghai, the Dalai Lama has concentrated a large force of ten thousand men near the Sikong-Tibet-Chinghai border with the purpose of invading Chinghai. Gen. Ma requested the Government to devise effective measurs to prevent the Tibetan invasion of his garrison area.

In a telegram to Gen. Chiang Kai-shek Dec. 7, the Nanking representative of the people of Sikong denied the report that Sikong had sent a representative to Fukien to participate in the so-called "National Congress of People's Delegation" at Foochow, as claimed by the Fukien insurgents. Replying to the message, Gen. Chiang highly commended the loyalty of the people of Sikong to the National Government.

Increased Duties on Rice and Flour Effective Dec. 16

An increased Chinese tariff on imported rice, wheat and flour is to become effective on December 16. The regulations governing the new tariff are in process of being promulgated. The tariff rate, it is understood, will be one cus'oms unit per picul on rice and three-tenths of a customs unit on flour.

According to Chinese reports, cotton, raw silk, cotton yarns, silk fabrics, tea, cotton piece goods, timber, fish, matches and electric bulbs constitue the ten classes of imported articles upon which an anti-dumping tax is likely to be imposed early next year.

The first batch of American wheat of 80,000 bushels arrived in Shanghai from Portland early this week. It will be temporarily stored in the godowns of the China Merchants S. N. Co. before it is sold by public tender. The second batch of some 8,000 tons of wheat is expected to arrive in Shanghai from Portland on December 23.

The cotton crop in Shantung Province this year is stated to be normal, with an estimated production of about 800,000 piculs. The stock of raw cotton at Tsinanfu is increasing daily with the arrival of the new crop in the godowns. There are approximately 120,000 bales of cotton in Tsinanfu now and about 3,000 bales are arriving daily from all parts of the province. The demand from Japan and the Shanghai area amounts to an average of 800 bales a day.

The Legislative Yuan Dec. 8. adopted regulations governing the issue of a $10,000,000 Hunan Reconstruction loan at eight per cent interest and secured on the proceeds of the business tax in Hunan.

The Shanghai-Nankiang motor highway, of which only three sections have yet to be built, is expected to be completed next March.

The extension of the Taokow-Chinghua Railway eastward to Taming (in southern Hopei) and westward to Tsincheng (in southeastern Shansi) is planned by the Railway Aministration.

The Executive Committee of the National Match Manufacturers' Association held its second annual meeting under the chairmanship of O S. Lieu, Dec. 10, when a number of resolutions for the rehabilitation of the native match industry were adopted. It was decided to petition the National Government to establish a Match Control Committee, to restrict the establishment of new match factories, and to prevent the smuggling of matches.

The Twenty-First National Coal Merchants Conference of China was held in Shanghai Dec. 11. Several important decisions were reached concerning measures for the relief of Chinese coal in view of the dumping of foreign coal on the Chinese market. The Conference adopted a resolution that the Government should be requested to issue a $20,000,000 coal loan for the relief of the coal industry.

The Ministries of Industry, Railways and Communications have jointly drawn up a proposal for developing Chinese natural resources with foreign capital. The main point of the proposal is that in every enterprise the Chinese share should be at least 51 per cent of the total capital.

CARING FOR BABY'S HEALTH

A TALK TO MOTHERS

Every mother wants her baby to grow up strong and healthy. But will he?.....certainly not if his stomach and bowels are neglected in childhood. Naturally parents do not wilfully neglect their children. But are they always careful to watch for signs of ill health? A child may even pretend to feel well rather than face nasty medicines such as castor oil, for it is only the taste that matters to him, since he is too young to appreciate the benefit he derives. In the meantime pernicious forces are at work in his inside laying the foundatione for trouble in later life.

Wise parents will keep their children fit by the use, when needed, of Baby's Own Tablets, a pleasant tasting medicine which the young ones never mind taking. It is a safe and effective remedy for most of the minor ailments of childhood, such as indigestion, constipation, colic, colds, feverishness and worms. To allay the pains of teething there is nothing so speedy or unfailing. Obtainable from chemists everywhere, no household where there are infants and young children should be without them.

ONLY A FEW COPIES LEFT

The *Review* still has on hand a few copies of the following books dealing with Pacific and Far Eastern Affairs:

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THE CHINA WEEKLY REVIEW

38 Avenue Edward VII
Shanghai

In the United States Court for China

NADEJDA VENEMIAN PRUJAN, Plaintiff,
vs.
GEORGE PRUJAN, Defendant.

Cause No. 3606
Civil No. 1647
ORDER
Filed at Shanghai, China
Nov. 24th, 1933
William T. Collins,
Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 23rd day of November, 1933, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 23rd day of November, 1933, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 23rd day of November, 1933, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since over one year, and that defendant's last known address was c/o Y.M.C.A., Cleveland, Ohio, United States of America.

NOW, THEREFORE, it is the 24th day of November, 1933, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review" a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 16th day of December, 1933, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 24th day of November, 1933.

MILTON D. PURDY,

Judge.

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The National City Bank of New York, Rates of Exchange

Shanghai, Dec. 13, 1933.

Demand selling rate on America:	U.S.$100=Sh. $305.93
Demand buying rate on America:	U.S.$100=Sh. $301.89
Demand selling rate on London:	£1.0.0=Sh. $15.484
Demand buying rate on London:	£1.0.0=Sh. $15.299

Latest New York Stock Exchange Quotations

Market—Steady Business Done 1,650,000 Shares

Dedember 12, 1933

1933 High	1933 Low	Div.$ per Sh.	STOCKS	Mon. Dec. 11	Tue. Dec. 12.
13⅛	3	—	Adams Express	8⅜	8¼
33	11⅛	0.60	Alaska Juneau	21⅞	20¾
49¾	70⅝	6.00	Allied Chemical & Dye	184	147
100	49½	4.00	American Can	98¼	98⅝
19⅝	3⅞	—	American & Foreign Power	10	9⅝
44⅞	7¼	—	American & Foreign Power 7% Pfd.	22	20½
13½	2⅝	—	American & Foreign Power Warr.	7	6⅝
23⅝	3⅛	—	American Metal Co.	19¼	18⅝
53⅛	10¾	—	American Smelting	43	43
134⅝	86½	9.00	American Telephone & Telegraph	120⅜	120¼
94⅜	50⅜	5.00	American Tobacco "B"	75½	75
43⅛	10⅞	1.00	American Waterworks	19½	19⅛
22⅞	5	—	Anaconda Copper	15	14⅝
18⅝	5⅞	—	Atlas Corporation	11⅝	11⅝
84¼	31¼	2.00	Auburn Automobiles	57	55½
37⅞	8¼	—	Baltimore & Ohio	26	25⅝
49⅛	10⅛	—	Bethlehem Steel	36⅜	36⅜
37⅝	18	1.60	Borden Company	21⅝	21¼
21⅝	5½	0.25	Borg Warner	20½	19⅝
20⅞	7¼	—	Canadian Pacific Railway	13⅝	13⅞
103½	30½	—	Case, J. I.	72¼	72⅜
47⅞	17⅝	1.40	Chase National Bank	18⅞	18⅝
52⅛	14⅞	2.00	Chesapeake Corp.	35¼	35⅛
53	7⅝	0.50	Chrysler Corp.	52	52
28½	9	0.50	Columbia Gas & Electric	12⅜	12½
6⅛	1⅜	—	Commonwealth & Southern	1⅜	1⅜
64⅛	36⅜	3.00	Consolidated Gas of N. Y.	38⅝	39⅛
19⅝	4⅞	—	Continental Oil	18⅝	18½
90⅝	45⅝	3.00	Corn Products	76⅛	76
7½	2⅜	—	Coty Inc.	4	4
4⅝	1½	—	Curtiss Wright Company	2⅜	2⅜
18¼	10½	0.75	Douglas Aircraft	14½	14½
98	82⅜	*2.00	Du Pont de Nemours	91⅜	91⅜
89⅜	46	3.00	Eastman Kodak	82⅜	83
41⅝	10	—	Electric Bond & Share	14¼	14⅛
15⅝	3⅛	—	Electric Power & Light	5⅜	5½
19	12	—	Fox Film	14¼	15⅛
10⅜	2⅞	—	General Aviation	5⅝	5½
30¼	10½	0.40	General Electric	21	20½
39⅞	21	1.80	General Foods	36⅜	37
35⅝	10	*1.00	General Motors	34⅝	34¼
49½	13¼	1.00	General Railway Signal	34	34
27⅝	12	1.20	Gold Dust	18⅜	18⅛
47½	9¼	—	Goodyear Tire & Rubber	37⅝	36⅜
40	6⅛	—	International Cement	32	30½
46	18⅝	0.60	International Harvester	42¼	42
22⅜	6⅜	—	International Nickel	22	21⅜
21⅜	5⅛	—	International Telephone & Telegraph	13½	14
68⅝	12¼	—	Johns Manville	61	61⅛
26	7⅝	—	Kennecott	20¾	20½
79⅜	37½	2.40	Lehman Corporating	70½	70¼
99⅝	42½	*4.00	Liggett & Myers, "B"	86	86½
36½	8½	1.00	Loew's: Inc.	32½	33
25¼	10⅜	1.20	Lorillard P. Co. (Com.)	17½	17⅞
48⅜	18	1.00	McIntyre Porcupine	37⅝	37⅝
28⅜	8⅜	—	Montgomery Ward	24	23¾
34½	19⅞	1.00	National City Bank (bid price)	19	18¾
41⅝	5⅝	—	National Distillers	28	26⅝
58½	14	—	New York Central	37⅜	37
36½	14	8%S	North American Company	15¾	15½
96¾	31½	2.00	Owens Illinois Glass	85⅜	83
37⅞	16½	1.50	Pacific Gas & Electric	17½	18¼
6⅞	1⅜	—	Packard Motors	4¼	4⅛
42¼	13⅜	0.50	Pennsylvania Railroad	30⅞	31½
6⅜	1½	—	Pennroad Corporation	2⅜	2⅜
18⅜	4⅜	—	Phillips Petroleum	17	17
12½	3	—	Radio Corporation	7½	7⅜
5⅜	1	—	Radio-Keith Orpheum	2¼	2¼
54¼	26½	3.00	Reynolds Tobacco "B"	48⅞	48⅝
47	12½	—	Sears Roebuck	44½	43½
11⅝	4	—	Shell Union	8⅜	8¼
17	6	0.25	Socony-Vacuum Corp	16⅜	16¼
28	14¼	2.00	Southern California Edison	16	16⅜
22½	5⅛	—	Standard Gas & Electric	9½	8¼
47	22⅜	1.00	Standard Oil Co., of N. Jersey	46⅝	46⅝
60⅜	49½	—	Sterling Products	52⅝	52⅜
8⅜	1½	—	Studebaker	4⅞	4⅜
30½	10⅜	1.00	Texas Corporation	25⅞	26
45¼	15¼	1.00	Texas Gulf Sulphur	43⅜	42½
9⅜	2⅝	—	Trans America	6¼	6¼
51⅞	19⅜	1.00	Union Carbide & Carbon	46⅜	46½
132	61½	6.00	Union Pacific	115	113
46⅞	16½	—	United Aircraft & Trans.	34½	33⅝
14½	4⅞	—	United Corporation	5¼	5¼
25	14	1.20	United Gas Improvement	15¼	15⅜
25	2⅞	—	U. S. Rubber	17¼	17
67½	23⅝	—	U. S. Steel	47¾	47½
51½	21½	*2.00	Universal Leaf Tobacco	46	Un q
36¼	7⅝	—	Vanadium	23⅝	23¾
9½	1	—	Warner Bros. Pictures	6¼	6⅞
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Shanghai, China.
December 6, 1933.

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H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

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